S. HRG. 100-517, PT. 1

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1988

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

H.R. 2712

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF THE INTERIOR AND RELATED AGENCIES, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1988, AND FOR OTHER PURPOSES

Part 1—(Pages 1-1218)

Advisory Council on Historic Preservation
Commission of Fine Arts
Congressional witnesses
Department of Education
Department of Energy
Department of the Interior
Institute of Museum Services
National Endowment for the Arts
National Endowment for the Humanities
National Gallery of Art
Nondepartmental witnesses
Pennsylvania Avenue Development Corporation

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE

82-459 O WASHINGTON : 1988

For sale by the Superintendent of Documents, Congressional Sales Office
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S181-26

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1988

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

NONDEPARTMENTAL WITNESSES

[CLERK'S NOTE.—The subcommittee was unable to hold the hearings on nondepartmental witnesses, but the statements of those submitting written testimony are as follows:]

NATURAL RESOURCES

STATEMENT OF RONALD R. CHRISTENSEN, EXECUTIVE VICE PRESIDENT, SOCIETY OF AMERICAN FORESTERS

On behalf of the Society of American Foresters' 20,000 members, I would like to make some comments on the USDA Forest Service FY 1988 Proposed Budget.

The Society wishes to thank you and the members of this Subcommittee for your continued support of forestry and your efforts to maintain a balanced, multiple-use program for the USDA Forest Service. However, we must express our concern over the Administration's proposed FY 1988 budget. It appears that the Administration's budget maintains appropriate funding levels for commodity programs while funding for non-commodity programs and long term investments is de-emphasized.

Though we support Congressional efforts to streamline and reduce government spending and make federal programs more economically efficient, we also believe that forestry and natural resource management programs should be funded at a level which is commensurate with the national importance it was given through the passage of extensive environmental legislation in the 1970's.

To help sustain valuable natural resource management programs, the SAF proposes that FY 1988 Forest Service appropriations be raised to the 1988 base level of 2.072 billion dollars. Though we support the establishment of a stable fiscal base for future generations, we also believe we are responsible for providing future generations with a viable natural resource base that will provide physical, economic and spiritual needs. The Forest Service was founded upon this ideal and we continue to support it.

Program Area Funding

National Forest System

The Administration's FY 1988 National Forest System (NFS) request is about 2 percent less than the FY 1987 program, and 8 percent less than the FY 1988 base level of 1.1 billion dollars. In relation to the RPA assessment, the FY 1988 proposed funding level is 18 percent below the high-bound figure of 1.37 billion dollars. However, this figure must be broken down into NFS program components to get a more accurate picture of priorities. For example:

Timber

Demand for forest products is projected to remain strong. The SAF favors a timber sale program that would provide for current demand without reducing the long-term sustained yield capacity of the land and would retain the multiple-use characteristics of the national forests. SAF recommends a programmed sales level between last year's level and the RPA high-bound keyed to meeting demand. Any increase in programmed timber sales however, must be accompanied by the appropriate long-term investments associated with timber management such as reforestation, timber stand improvement, and nursery and tree improvement operations.

The following example underscores our concern: The Administration's proposed budget calls for a 2.1 percent decrease in reforestation funding while timber harvest funding is slated to increase by 8 percent. This dichotomy follows a pattern of several years which negatively impacts the environment and severely limits the credibility of forestry professionals within the Forest Service. Funding for reforestation and other long term investments should be positively correlated with any increase in the timber harvest program.

Recreation and Wilderness

The Forest Service's outdoor recreation program, measured in recreation visitor days, is the largest in the United States. The Agency's Wilderness System, which provides land for spiritual enjoyment, scientific study, and primitive recreation, is unequaled throughout the world. The demand for these resources has been growing and is expected to continue growing in the future. Though the 1988 budget provides for the RPA high-bound in the number of recreation visitor days, the corresponding funding level does not. This is especially disturbing considering that "the outlook [for outdoor recreation], given current levels of investment in facilities and management programs is for more overcrowding and continued declines in the quality of experience." The Forest Service estimates a 298 million dollar backlog in recreation construction and re-construction needs.

Despite this demand, the proposed budget would reduce recreation program investments, which include wilderness management, by 1.4 percent. Furthermore, this 1.4 percent reduction assumes that 52 million dollars in recreation receipts will be returned to the recreation program when future legislation allowing the Forest Service to charge

user fees is passed. If this legislation is not forthcoming the recreation program would suffer a 46 percent reduction in funding. The SAF believes that these anticipated fees are being relied upon prematurely and that appropriations should be raised to the 1988 base level. If the appropriate legislation is passed, the 52 million dollars could be recinded at that time.

The recreation funding level supported by SAF is consistent with present law and would be closer to fulfilling the 1985 RPA high-bound output level.

Wildlife and Fish

The National Forest System provides wildlife and fish habitat for 3,000 game, non-game, and threatened and endangered species who make the national forests their home. Recent reductions in program funding have essentially limited fish and wildlife habitat improvements to mitigating the effects of other commodity activities.

The Administration's proposed FY 1988 budget of 38 million dollars would once again cut the Wildlife and Fish Program. This 14 percent reduction from the FY 1988 base level is also well below the estimated RPA high bound level of 70.4 million dollars. This proposed reduction is especially puzzling given the economic contribution habitat improvement makes to federal, state and private coffers. According to the 1985 RPA assessments, the Wildlife and Fish program has a benefit-cost ratio of 9.8/1.

Funding for habitat improvement at the 1988 base level will allow for maintaining current habitat capability, while decreased funding would cause substantial habitat deterioration. A well funded Wildlife and Fish program would also have ecological and social benefits on nongame and threatened and endangered species, including the spotted owl, red-cockaded woodpecker and the grizzly bear.

Range

Range outputs, measured in Animal-Unit-Months (AUM), for FY 1988 are 10.0 million AUM's. The RPA high-bound for the Range program is 9.8 million AUM's. However, funding for the overall program, which includes long-term investments such as range improvements, implementation of management plans, and range monitoring is cut by 7.1 percent. This high level of grazing could create substantial imbalances between demand and available supply if the above management activities are not also funded at comparable levels. The benefits of range management not only include increased forage supply, but browse for

wildlife, improved water conditions, and reduced soil erosion. Appropriations at the 1988 base level could help range improvement and monitoring programs keep pace with the high grazing level.

State and Private Forestry

Sixty-one percent of the nation's forestland is privately owned. The Forest Service's State and Private Forestry Program (S&PF) provides assistance to both private landowners and state forest services throughout the nation. Though the S&PF is a small part of the Agency's total budget, 2.6 percent in 1987, it provides technology transfer and technical assistance to individuals who may otherwise have to forego forest management.

The 1985 RPA high-bound program calls for an 80.7 million dollar funding level for S&PF, while the proposed budget is 35.4 million dollars. This is nearly 56 percent below the recommended high-bound level and 42 percent less than the 1988 base level of 60.7 million dollars. In constant dollars, 1981-1988, the S&PF program will be taking a 59.2 percent cut in its budget if the Administration's proposal is not ammended.

The SAF believes S&PF programs are an important component of the Forest Service's program. Besides providing cohesion between state forestry efforts, S&PF also helps non-federal land owners work on forest management problems which, as you well know, do not respect national forest boundaries. Furthermore, the decision to eliminate technical assistance to landowners is particularly suspect given federal efforts to convert highly erodible lands to permanent cover through the Conservation Reserve provision. Finally, elimination of the Forest Management and Utilization program would terminate the potential for such dynamic programs as the Trade and Marketing Initiative, which could help the forest products industry compete more effectively in badly needed domestic and international markets.

Research

Research programs help bolster economic and environmental values of the nation's forestlands. Since 1980, ten research locations have been closed and the number of research work units and full-time-equivalent employees, has decreased by 20 and 30 percent respectively.

The 1985 RPA Program places high-bound funding for research at 131.5 million dollars. The Administration's

budget requests 122.2 million dollars. This request is 90 percent of the FY 1988 base of 135.9 million dollars.

With more demands being put on the nation's forests, research programs can help alleviate some of the uncertainties that surround today's decision makers. Greater support of the research effort will help the Forest Service look at such timely topics as forest-atmospheric interactions, international trade, biotechnology, critical wildlife and fish/timber management interactions. Research into the southern forest's productivity could also be continued. The Administration's proposed budget will reduce the Agency's ability to increase efficiency throughout their integrated and multi-disciplinary programs.

Conclusion

SAF recognizes and supports the need to address the federal deficit, therefore, we have appeared before you in recent years and urged the Subcommittee to freeze Forest Service funding at then current levels. This year however, we recommend that Forest Service programs be maintained at current levels by funding the agency at 1988 base levels. SAF feels this would provide an acceptable balance between the Forest Service's long-term management needs which have been severely reduced in the last six years, and the nation's short term deficit reduction needs.

We recognize that maintenance of programs at current levels result in funding below the RPA high-bound level which more realistically address responsible forest management. The SAF believes any additional funding that might be provided, should go to programs which have received especially low budgets in recent years. These include: high priority research projects, the S&PF program, and non-commodity management programs within the National Forest System.

To conclude, SAF urges you and your colleagues to help make conservation and stewardship of our nation's natural resources the national priority that it is mandated to be.

Thank you for this opportunity to present our views.

STATEMENT OF DR. JOSEPH N. CROWLEY, PRESIDENT, UNIVERSITY OF NEVADA-RENO, AND CHAIRMAN, MINERAL RESOURCES, COMMITTEE OF THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES; DR. DAVID J. BARR, DIRECTOR, MISSOURI MMRRI AND PROFESSOR OF GEOLOGICAL ENGINEERING REPRESENTING MINERAL INSTITUTES DIRECTORS; AND DR. RICHARD BAJURA, DIRECTOR, ENERGY RESEARCH CENTER, WEST VIRGINIA UNIVERSITY

We submit this statement on behalf of the participating colleges and universities supporting appropriation of funds for the State Mining and Mineral Resources Research Institute Program as reauthorized, in 1984, through P. L. 98-409.

We believe that Congress was farsighted in reauthorizing the Mineral Institute Program. This program remains, today, as the only significant Federally supported effort in university training and research in mineral technology. At a time of continuing decline in the domestic minerals industry, it is believed to be important to sustain and enhance university training and research to provide the manpower and technology to assist in revitalizing that important sector of the Nation's economy.

P. L. 98-409 authorizes an appropriation of $26,800,000 for the Mineral Institute Program for FY 1988. We believe that this amount could be used by the Mineral Institutes in a way that would significantly benefit the Nation. However, recognizing the realities of budgetary constraints and the federal deficit, we respectfully recommend a minimum appropriation of $15,000,000. Of that total, we would recommend $7,200,000 for allotment grants to the institutes $7,500,000 for research grants and $300,000 for administration of the program.

The Mineral Institute Program

The Mineral Institute program is operated through 32 state institutes. The program has two nearly equal efforts -- 1) institutional or allotment grant support and 2) designated generic research programs.

The allotment grant portion of the program provides an equal amount of basic and flexible support to each of the 32 institutes, which are listed in an Appendix, (an institute was approved by the Secretary of the Interior for Columbia University, since our last testimony). The $7,200,000 request would provide $225,000 for each institute and would restore the level of funding that the institutes had a decade ago, adjusted for inflation. It is still far below the authorized $400,000 per institute.

For FY 1988 it is required that each Federal dollar expended for allotment grants be matched by no less than two non-Federal dollars. Thus, a federal appropriation of $7,200,000 for allotment grants would result in a minimum of an additional $14,400,000 in non-Federal funding for the mineral institutes.

Research funds are currently used for support of five generic mineral technology centers which are located at State Mineral Institutes. Each center has a lead university (two in one case) with three to six additional institutes working as research affiliates. Thus the system is fully interactive and cooperative in organization and operation. The generic research areas, the generic center locations and the center affiliates are listed in an Appendix.

In addition to the decline in corporate mineral research that has accompanied the recession in the domestic industry, the Federal investment in this area has contracted to the point that research conducted under the State Mineral Institute Program is the only broad-based mineral research support available today to universities.

Our request for $7,500,000 would continue the respirable dust center at $2,500,000 would increase funding for the four other existing centers to their original level of $1,000,000 each and would allow creation of a sixth generic center.

We believe that expansion of the number of generic centers and, thus, the diversity of research is essential. Many knowledgeable engineers and scientists believe that major improvements in mining and extractive metallurgy technology provide the only means of revitalizing the domestic minerals industry. Such improvements must come through research such as that being performed in the generic centers of the mineral institutes and must be implemented by the engineers and scientists being trained in the universities that house those institutes.

Each mineral institute has programs of research and education in the minerals area sustained by annual allotment grants, matched on the basis of 2:1 non-Federal to Federal dollars, for student scholarships and fellowships, pilot research project initiation, scientific equipment acquisition and continuing education. A Mineral Institute directory was compiled in August, 1986, which indicates the breadth of mineral-related activities and programs existing at each of the designated mineral institutes. That 115 page listing, which is being supplied to the Subcommittee, along with this testimony, illustrates the commitment of the institutes to seek technical solutions to minerals problems and help ensure uninterrupted availability of critical minerals for our Nation.

Specifically, the mineral institutes have in the past year supported 90 undergraduate and 275 graduate students as well as 6 post doctoral researchers, 3 technicians, and 1 visiting professor from allotment grant funds. In addition, 274 pilot research projects were initiated that were independent of generic center activities. Significant new equipment was added to 11 laboratories and major reference materials acquired at 3 institutes. Also, 37 continuing education conferences, 2 special mineral courses, 2 newsletters and 3 student field trips have been supported. These achievements continue to materially aid

the Nation in maintaining a viable minerals research and education infra-structure.

The Mineral Resources Committee of the National Association of Universities and Land-Grant Colleges and the National Association of Mineral Institute Directors would like to express their appreciation for the opportunity to testify before this subcommittee.

APPENDIX

The 32 mineral institutes are located at the following institutions of higher learning:

University of Alabama
University of Alaska-Fairbanks
University of Arizona
University of California-Berkeley
Colorado School of Mines
Columbia University
Georgia Institute of Technology
University of Idaho
Southern Illinois University
Purdue University
Iowa State University
University of Kentucky
Louisiana State University
Massachusetts Institute of Technology
Michigan Technological University
University of Minnesota
University of Mississippi
University of Missouri-Rolla
Montana College of Mineral Science and Technology
University of Nevada, Reno
New Mexico Institute of Mining and Technology
University of North Dakota
Ohio State University
University of Oklahoma
Pennsylvania State University
South Dakota School of Mines
University of Texas
University of Utah
Virginia Polytechnic Institute and State University
University of Washington
West Virginia University
University of Wyoming

Generic Mineral Technology Centers and
Affiliates - 1986

Respirable Dust Center
Pennsylvania State University
West Virginia University
Affiliates:
Massachusetts Institute of Technology
University of Minnesota

Mine Systems Design and Ground Control Center
Virginia Polytechnic Institute
Affiliates:
University of Alabama
University of Alaska
University of Kentucky
University of Idaho
Southern Illinois University

Comminution Center
University of Utah
Affiliates:
University of California
Colorado School of Mines
University of Minnesota
New Mexico Institute of Technology
Michigan Technology Institute

Pyrometallurgy Center
University of Missouri at Rolla
Affiliates:
Purdue University
Ohio State University
Massachusetts Institute of Technology

Mineral Industry Waste Treatment & Recovery Center
University of Nevada at Reno
Affiliates
University of Idaho
University of Montana
University of New Mexico
South Dakota School of Mines

STATEMENT OF BENJAMIN F. PAYTON, PRESIDENT, TUSKEGEE UNIVERSITY

I am Benjamin F. Payton, President of Tuskegee University in Alabama. Founded by Booker T. Washington in 1881, Tuskegee University today is a complex University with an enrollment of 3300 students. It offers 45 degree-granting undergraduate programs and 29 graduate programs.

In addition to our role as an educational institution, we are also guardians of one of the nation's important historic

sites--the Tuskegee Institute National Historic Site. The Site was created by Public Law 96-486, enacted by the United States Congress in 1974. The Site is the only University campus so designated in the United States. Such a Congressional designation reflects the national significance of Tuskegee for this nation's past and present. The Site is one of the few places which brings together in one historic site a depiction of both African-American and European-American culture.

The Site includes "The Oaks," the Booker T. Washington home; the George Washington Carver Museum; an antebellum mansion, Grey Columns; and the fifty-acre original campus encompassing some thirteen buildings. Grey Columns, originally the National Park Service (NPS) administrative headquarters, now serves as official residence for the President of Tuskegee University.

Under the terms of a 1976 Memorandum of Agreement between Tuskegee Institute and the National Park Service, Tuskegee Institute donated to the United States the Booker T. Washington Home and the Carver Museum. This Memorandum of Agreement affirmed:

> "It is the intent of the Congress that the original campus and associated historic buildings of Tuskegee Institute be included in a national historic site and be preserved and interpreted for the inspiration and benefit of the people of the United States."

Under the same Memorandum of Agreement, Tuskegee pledged to "preserve in perpetuity the historical character of . . . the Historic Campus District" and to admit the public without charge to these buildings and grounds.

Tuskegee University has fulfilled that pledge and has made numerous improvements over the years using its own resources as well as other private and public sector support. The National Park Service has also been most helpful in carrying out its mandate "to cooperate with the Institute in the preservation of the Historic Campus District and to provide technical advice and assistance in its preservation."

Today, Tuskegee faces a critical turning point for the future of the Site and particularly the Historic Campus District. Using its own resources, Tuskegee University is currently engaged in a Campus Plan Study, reviewing the state of the entire campus including all buildings and grounds. The Study, conducted by the Ehrenkrantz Group of Nashville, Tennessee, found that over $16 million in renovations are needed for the thirteen buildings in the Historic Campus District to bring them up to a level required to preserve their use and historical character and to provide adequate parking facilities for the entire site.

Many of these buildings were designed by Robert Taylor, the first black graduate of the Massachusetts Institute of

Technology. They were constructed by the students and faculty of Tuskegee Institute. These buildings include such structures as:

Old Administration Building (14,699 square feet). Built in 1902, this is a two-story brick structure which was the site of Dr. Booker T. Washington's office. It was renovated in the 1930s and again in 1947. Current renovation needs are estimated at $881,900.

Tompkins Hall (58,811 square feet). This is the largest and most imposing building of the Historic Campus District. Dedicated in 1910, the building was originally the main campus assembly hall. It now serves as the cafeteria and student union. Tompkins Hall was remodeled in 1929, 1933, and 1936. It currently needs extensive work, estimated at $2.3 million.

White Memorial Hall (28,692 square feet) was built in 1901 and still serves as a dormitory for women. Distinctive for its bronze tower and clock, it is in need of renovations estimated at $1.7 million. The building was last remodeled in 1965-66.

With the conversion of Grey Columns from use as the NPS administrative headquarters for the Historic District to use as the official residence of the President of Tuskegee University, there is a need for certain improvements to assure its continued preservation and the protection of its structure. The estimated cost of these improvements is $150,000.

Finally, assistance is needed to meet the very serious parking problem stemming from the campus' national park status. The Tuskegee Institute National Historic Site has become one of the most popular tourist attractions in the region. In 1986, the Site had over 105,000 visitors. This increase, as well as the natural growth in the University's educational activities, has placed tremendous pressure on the parking facilities. It is not unusual to have severe congestion at the main entrance to the campus, adjacent to the Carver Museum.

To correct this problem, there is a need to construct an underground parking facility near Dorothy Hall, the historic campus guest house. A two-level facility with a capacity of 110 cars is envisaged. Such a facility would help solve the congestion problem without marring the historic character of the campus. An estimated 44,050 square foot two-level garage could be completed for $1,600,000.

We have reviewed these findings with National Park Service officials. They share our concerns and see the need to take active measures to preserve the buildings.

To begin this process, Tuskegee University requests that $4 million be included in the fiscal year 1988 appropriation for the National Park Service, Department of the Interior, and designated for improvements at the Tuskegee Institute National Historic Site.

Statement of the Society For American Archaeology

Mr. Chairman and Members of the Committee, the Society for American Archaeology is pleased to have the opportunity to present this testimony. The continued interest and support of this Committee is a major stimulus for archaeological resource protection, research and interpretation.

The Society for American Archaeology endorses the funding requests for the Historic Preservation Fund (HPF). This fund is a major source of support for critical programs in the states to identify, evaluate and plan for archaeological sites as well as for historic buildings and landscapes. We enthusiastically support the increased funding requested by the National Conference of State Historic Preservation Officers and the National Trust for Historic Preservation, as discussed below.

This year we also want to focus on a problem of vital concern specifically to archaeology.

LOOTING IS DESTROYING OUR NATIONAL HERITAGE

The looting of archaeological sites is a national problem and is destroying our nation's cultural heritage. This outright criminal action is increasing. If something is not done soon there will be no intact archaeological sites left. Archaeological resources are similar to endangered species: once destroyed, they are gone forever.

Congress must recognize the seriousness of this problem and support action including stronger enforcement of the Archaeological Resources Protection Act, increased staffing and funding for archaeological protection, more public awareness and education, coordinating the enforcement efforts of the Department of Justice and the land managing agencies, and civil enforcement of protection laws.

$5 MILLION IS NEEDED NOW

A minimum of $5 million is needed in the fiscal 1988 appropriations for the operation of the National Park Service to organize a national effort to combat the criminal networks who deal in stolen archaeological artifacts.

A New York Times Magazine article, attached to this testimony, on December 7, 1986, highlighted the pressing problems of archaeological looting, not only in the West but in the East as well. author, Derek V. Goodwin stated, "The looting would stand a better chance of being contained if a national strike force were established, which would function like the President's Commission on Organized Crime, infiltrating criminal networks and seeking stiff penalities against those who deal in plunder from Federal lands."

USE OF THE FUNDS

We ask that the Committee take the lead in securing add-on funding of this amount to stop looting and vandalism of archaeological sites on federal lands. To ensure these funds are used for the intended purpose, we urge you to specify in legislation that these funds should go to the Department of Interior's Departmental Consulting Archeologist (DCA). These funds would be administered by an interagency task force of law enforcement officers, archaeologists and land managers chaired by the DCA.

o 60-70% of the $5 million would be earmarked for undercover operations, investigations, infiltration of looting rings, equipment purchase and "buy money" by field agents in the Departments of the Interior and Agriculture.

o 20-30% of the $5 million would be used by DOI and USDA law enforcement litigation support for prosecution of looters under ARPA and other statutes and for civil prosecution.

o 10-20% of the $5 million would be made available to the DCA's office for administration, training of enforcement personnel, and a national conference on ARPA enforcement for land managing agencies.

REPORT LANGUAGE

The Society for American Archaeology supports specific Committee report language on the use of these funds. For example:

> The pillage of our nation's archaeological heritage by criminals is a national disgrace which must be stopped. $5 million of targeted funding is provided for this effort within the appropriation for the operation of the National Park Service, to be administered by the Departmental Consulting Archeologist (DCA) in accordance with guidelines established by an interagency committee chaired by the DCA. Of the total amount, at least $3 million should be allocated by the DCA's office for undercover investigations by the Department of Interior and USDA land managing agencies, including provision of funds authorized for undercover purchase of stolen artifacts; $1.5 million should be used by the land managing agencies for litigation support functions and civil enforcement; the remaining $500,000 should be used by the DCA to coordinate the Federal government's ARPA programs -- including a national conference on ARPA enforcement for land managing agencies, archaeological experts to assist in the training and enforcement process, training of law enforcement and land management employees responsible for resource protection, Federal managers and State Historic Preservation Officers.

THE HISTORIC PRESERVATION FUND

We support the requests of the National Trust and the National Conference of State Historic Preservation Officers for $76 million. These funds would be divided between the National Conference for State Historic Preservation Officers ($60 million) and the National Trust for Historic Preservation ($5 million). The remainder of the amount would be directed to the National Park Service's Cultural Resource Programs, the International Conference on Monuments and Sites (ICOMOS) and the Advisory Council on Historic Preservation. Each of these agencies provides essential assistance to archaeological resource protection. They fund many of the basic surveys which locate and document archaeological sites.

Continued yearly level funding creates backlogs. The National Conference of State Historic Preservation Officers has cited a backlog of $300 million for restoration projects alone. This amount does not include documentation or survey projects. Increased funding is vital to insure that the continually increasing backlog of projects is addressed. These increases will allow for a strong national historic preservation program with the National Park Service, the states, the local government and the federal government working as partners. Efforts will also pay off with increased funding from tourism and industry.

CONCLUSION

We request that the Committee continue to show its concern and support of archaeological and cultural resources by maintaining funding for cultural resources in the National Park Serivce, the National Forest Service, increasing funding for the the Historic Preservation Fund and by providing $5 million for an anti-looting initiative.

We thank you for this opportunity to present testimony.

STATEMENT OF CHARLES C. WEBER, MUNICIPAL ARBORIST, HUNTSVILLE, AL

As the Municipal Arborist for a prospering and energetic city in the Southeast, I feel a deep concern about the Urban Forestry line item in the USDA Forest Service budget for 1988. Funding in past years has been at around $2.0 million per year, and I believe this represents a very modest floor through which Urban Forestry support must never be allowed to fall.

The most compelling reason I know for sustaining, or preferably enlarging, the Urban Forestry appropriation is the enthusiastic stewardship that past appropriations have produced. Two million dollars averages out to $40,000 -- the equivalent of about one person-year -- per state. This is precious little considering the size of the resource involved in Urban Forestry. In unwise hands, this money could easily disappear into a single project with little direct or indirect public benefit; but money in the Urban Forestry program gains leverage, since it is teamed with state and local resources of many kinds -- considerable money, but even more hard work and devotion. Ultimately the effects of these federal funds frequently reach throughout the state where they are spent, and well beyond.

When I began my Urban Forestry work almost ten years ago in the Alabama Forestry Commission, as the public forester for a largely urbanized county, Urban Forestry in the South was little more than token tree-planting ceremonies in a few elementary schools where brave teachers huddled their children around pine seedlings poked into the February mud -- not much changed from the 1950's when I was in grade school, or even the 1800's when the "Arbor Day" idea started in Nebraska.

Since that time Huntsville has become one of several dozen Alabama cities awarded the "Tree City USA" designation; this award recognizes, as much as anything else, the City's new-found awareness of its tree legacy, and the additional effort that we now know will be required to perpetuate it. In 1981 Huntsville enacted its first tree ordinance, and it soon became clear that eight volunteers could not accomplish in their spare time the work that had largely been neglected since the City's founding. In 1985, its 180th year, Huntsville became the State's first city to hire a municipal arborist -- a responsibility that I was honored, but glad, to accept.

I could show you several ways in which Huntsville alone could consume the Forest Service's entire $2-million Urban Forestry appropriation. But fortunately, that's not what it is for. I view the Urban Forestry funds as "seed money." Its benefit for Huntsville is indirect but nonetheless real, from sharing our

experiences with other communities -- largely through the medium of federal and state forestry agencies. Having covered a small part of the path toward managing our tree resource, we have begun to provide speakers, technical literature, information on tree and landscaping ordinances, and many other kinds of assistance to other communities. Let me give you two examples:

At this writing I am working with the Alabama Forestry Commission's Urban Forestry coordinator to produce the first in what we hope will become a series of half-hour video tapes aimed at improving the quality of public and private tree maintenance. Two private tree-service companies, a commercial television station, the city's utility company, and others have come together to produce this tape, which is intended for state-wide (or greater) distribution at minimal cost.

"NU-TreeNet" is a second information-sharing project related to Urban Forestry activities. Publicized as a service of the American Forestry Association, NU-TreeNet is similar to some technical research services, but it operates on a much more personal scale, and its approach is different. Its purpose is to link individuals who have Urban Forestry problems with persons in other cities that have faced and dealt with similar problems. The U.S.D.A. Urban Forestry staff is helping to identify the most creative and successful Urban Forestry people, including those in the state forestry agencies. Without the consolidating effect of Urban Forestry funding, such cooperation would be difficult if not impossible to bring about.

A related funding issue that deserves your support is Urban Forestry Research -- not a line item in itself, but part of the Forest Service's Forest Recreation Research budget. I view this funding as a partnership with the private research carried on through such professional organizations as the Research Trust of the International Society of Arboriculture, and what is done independently by various individuals and cities across the country. Such federal research funds become increasingly important, as local budgets become steadily tighter, to help local governments fulfil their obligations as caretakers of their tree heritage. I hope you will at least sustain this research funding at last year's $1-million level.

Along with our system of laws and justice, our natural heritage sets the United States apart from other less fortunate nations. These two parts of our inheritance are similar in many ways, and are even linked inseparably through our forefathers' ties to the land. Neither the trees of a city nor the laws of a land can maintain themselves in an atmosphere of neglect, short-sightedness, or unbridled self-interest.

The goal of Urban Forestry is to foster the trees, and the values related to them, which reflect the best traditions of our past to an urbanizing populace. Far beyond their direct ornamental and environmental benefits, the trees of a city also provide what, for many of us, are our last roots with the land -- a much-needed source of perspective and clarity of vision affecting how we act from day to day and how we plan for the future.

This work deserves all the support you or any of us can give.

Thank you for this opportunity to submit a statement for the record.

Statement of Lonnie L. Williamson, Secretary, Wildlife Management Institute

I am Lonnie L. Williamson, secretary of the Wildlife Management Institute. Started in 1911, the Institute's program is dedicated to wildlife conservation.

U.S. Forest Service

We believe that it is an appropriate time for the federal government and the private sector to cooperate and support fish and wildlife on national forests to the degree that those popular resources deserve. It seems inevitable that use of timber, minerals, rangeland and energy resources on national forests will intensify in the years ahead. There also will be increased demands put on national forest fish and wildlife. Without a balance in funding and personnel for all these national forest programs, the multiple use concept embraced by the Service and the public will be violated.

It is general knowledge, and the Forest Service admits that fish and wildlife on national forests receive relatively less support than do marketable resources such as timber. This is simply not fair to the public nor the businesses and industries which benefit from fish and wildlife use.

Investments in fish and wildlife provide the best return of any made on national forests. The Forest Service estimates that its fish and wildlife program, funded at the high bound Renewable Resources Planning Act (RPA) level, can return $9.80 in goods and services for each $1.00 invested. The same level of funding for the timber program, however, could offer but $1.30 for each $1.00 invested.

Since the 1980 RPA was implemented, national forest fish and wildlife have received only 40% of recommended RPA funding. During that same time, timber programs got 95% of RPA recommendations. In other words, fish and wildlife have been overlooked. We believe that this inequity can be eliminated with a partnership between the Service and non-federal groups.

The national forest challenge grant program for fish and wildlife, which this subcommittee initiated two years ago, is outstanding and a perfect vehicle for attracting private-sector funds into public land management. This program is tremendously popular with the public, as shown by generous donations of private money and labor to complete fish and wildlife work on the forests. In FY 1987, for example, sportsmen groups, conservation organizations and state agencies have offered more than three times the funds needed to match the $1.5 million in challenge grant money. These groups back the program aggressively because it gives them an opportunity to help the public resources that they enjoy so much. Congress should take advantage of this generous attitude to boost fish and wildlife support on national forests to a level comparable to that given timber production.

We recommend that Congress add $7.1 million to the Administration's request for national forest fish and wildlife. That would provide $45 million as a base budget. We recommend that 30 additional fisheries biologists and 50 additional wildlife biologists be approved to handle the demanding fish and wildlife workload. In addition we recommend that Congress provide $10 million in challenge grants to be matched by non-federal contributions. This would give the Service a

total fish and wildlife budget of $65 million, which is less than recommended by the RPA high-bound alternative, but which is close to the relative level of funding now given the timber program.

For the Forest Service's research budget, we recommend the addition of $100,000 to fund investigations on transitory range at the Range and Wildlife Habitat Research Unit in La Grande, Oregon. "Transitory range" is a term applied to areas of forest land in the West which abounds in low herbaceous vegetation for several years after timber is cut. There are opportunities to use these areas in rotation for additional livestock grazing and to support new populations of big game animals. However, research is needed to learn how to graze these areas without damaging desirable tree seedlings. Properly done, livestock and wildlife use of this herbaceous growth can benefit ranchers, wildlife and reforestation. The young trees are helped because other vegetation that competes for moisture and nutrients is removed by the wild and domestic animals. The $100,000 is needed for operating funds. Salaries of the research team and laboratory facilities will be provided by base-level funding.

Bureau of Land Management

The Bureau of Land Management has more land and less money and people to manage it than any other federal land agency. BLM's fish and wildlife program is depressed to the point of being a national shame. It is amazing how the highly qualified men and women in BLM can maintain any enthusiasm with so much to do and so little with which to work.

The Bureau's level of management, despite the best efforts of range conservationists and biologists, actually is creating endangered species. Already the agency is forced to invest about three times as much in threatened and endangered species as it does in its entire fisheries program. Likewise, the agency spends more on feral horses and burros than it does wildlife.

As with the Forest Service, we in the private sector are willing to contribute heavily to rectify this situation on BLM land.

We recommend that Congress increase BLM's fish and wildlife budget to $18.6 million, a $2.5 million addition to the FY 1987 level. These funds would support 30 new fisheries biologists, 30 new wildlife biologists and 25 botanists to help fold fish and wildlife and endangered species considerations into other BLM programs such as livestock grazing and mineral development. We also recommend that $5 million in challenge grants be provided to help with needed projects such as desert bighorn sheep restorations and anadromous fish habitat improvements. The private sector is willing to help. Please give us the opportunity to do something that is meaningful via the challenge grant program.

U.S. Fish and Wildlife Service

The Institute strongly opposes the Administration's proposal to shift $25 million from the Wallop-Breaux Program for other purposes. Those funds are receipts from taxes which anglers and boaters requested and pay specifically for fisheries and boating enhancement. To use them otherwise would be a breach of trust.

We recommend that the Service maintain its cooperative endangered species program with the states, and that $6 million be appropriated for that purpose. Endangered species are a federal responsibility under law.

The Administration continues to back away from its wetland protection responsibilities. Considering the plight of this nation's wetland resources, this is unfortunate. In developing and passing the Emergency Wetland Protection Act last year, Congress clearly defined the problem and offered encouragement to solve it. Waterfowl hunters will be paying more for duck stamps and refuge visitors will be paying entrance fees to increase the amount of federal wetland acquisition money. Government should do more too. We recommend that $3.3 million be appropriated under the Wetland Loan Act and that $50 million be included for Land and Water Conservation Fund acquisitions.

To support the wetland habitat program, we recommend that $500,000 be retained in the Service's research budget for waterfowl research, and that the Administration's $250,000 request for woodcock research be honored. We also suggest that $100,000 additional be included for nongame research. And, we request that funds be provided to continue publication of the Wildlife Review and Fishery Review journals, which are important for keeping managers informed.

We recommend that $5 million be appropriated to fund the Fish and Wildlife

Conservation Act of 1980. Never funded, this act is for nongame wildlife management and is designed to keep species off the endangered list. Also, we urge that $1.7 million be provided for the Service to implement its nongame migratory bird program. We can pay now through these programs, or pay more later under the Endangered Species Act.

We request that $1 million be added to the Administration's request to staff and support the Cooperative Fish and Wildlife Research Unit Program. Any new units added to that system would require additional funds above the $5.5 million level.

Finally, we recommend that Accelerated Refuge Management and Maintenance (ARMM) funds be continued at the FY 1987 level.

Thank you, Mr. Chairman, for the opportunity to present our views on this subject. And thanks to you and the entire subcommittee for all the generous help provided to our nation's fish and wildlife during these difficult budgeting years. We appreciate it very much.

Statement of Terry B. Morton, Hon. AIA Chairman, United States Committee of the International Council on Monuments and Sites

Mr. Chairman: Thank you for the opportunity to again present to you and the Committee the US/ICOMOS program and the 1988 budget request. US/ICOMOS is most appreciative of your Committee's support last year, which resulted in US/ICOMOS receiving $148,000 under the National Park Service's FY 1987 budget. US/ICOMOS is requesting level funding of $150,000 additional funds over the National Park Service's FY 1988 budget request. (The Administration has not requested any US/ICOMOS funds in the 1988 budget.)

US/ICOMOS is the leading national private organization for international cultural information exchange and related preservation programs. This funding will enable US/ICOMOS 1) to continue its international preservation services program and 2) to continue to work collaboratively with the following organizations in carrying out their international cultural responsibilities: the National Park Service, the Advisory Council on Historic Preservation, the Smithsonian Institution, the State Department, USIA, the Environmental Protection Agency and the National Trust for Historic Preservation.

Support to US/ICOMOS is made possible by the 1980 Amendments to the National Historic Preservation Act of 1966. These amendments call for the U.S. under the National Park Service to have a role of leadership and cooperation in international preservation through programs in education, public information and training. The amendments also implemented U.S. participation in the World Heritage Convention, ratified by the U.S. in 1975. ICOMOS is designated in the Convention as the non-governmental organization to carry out cultural heritage programs for the World Heritage Committee.

US/ICOMOS will use this $150,000 in FY 1988 for the following programs: $30,000 to continue National Park Service dues to US/ICOMOS at current level to support its cultural resources service programs; $50,000 to support the World Heritage programs in the United States; and $70,000 to carry out research and training, with an emphasis on the Quincentennary of the Discovery of America.

All of these international programs relate to the popular and broad national domestic preservation programs of the National Park Service. US/ICOMOS works closely with National Park Service staff in carrying out programs funded by Congress to US/ICOMOS through National Park Service Cooperative Agreements. We commend the National Park Service on its "Plan for Actions in Commemoration of the Christopher Columbus Quincentennial." We hope to continue to expand our cooperative efforts with the National Park Service by assisting its staff in carrying out a number of the international-related Quincentennary projects that the National Park Service has identified.

US/ICOMOS identified programs listed below do not duplicate those of the National Park Service, but make it possible for the National Park Service through US/ICOMOS to carry out international cultural resources program required under U.S. law (1980 Amendments Act to 1966 HPA) and the World Heritage treaty.

The FY 1988 US/ICOMOS projects will be professional and ones that US/ICOMOS is uniquely qualified to produce through its international network of the 68 ICOMOS national committees.

• To highlight the Quincentennary, some projects will be linked to preservation needs related to Spain, Italy, Caribbean, Central and South America and developing countries.

• Programs will strengthen technical information transfer needs brought about by the U.S. withdrawal from UNESCO several years ago.

• US/ICOMOS needs the federal funding base to leverage private funds. This has been a successful device for US/ICOMOS in the past, especially in raising private funds to match federal funds to undertake the 1987 ICOMOS General Assembly. US/ICOMOS has matched the 4-year federal grant of $300,000 for the 1987 ICOMOS General Assembly with an equal amount from private sources and project funds.

I. US/ICOMOS Service Programs

Under US/ICOMOS service programs to members, the public, government agencies and private preservation organizations, US/ICOMOS continues to serve as an international information exchange broker. This is done through the monthly newsletter, publications (including the series on Historic Preservation in Foreign Countries), the booklist and sale of related publications, services to foreign visitors, documentation center, technical advisory services and lecture programs. This year our staff provided technical advisory service to Singapore, Mexico and Yugoslavia.

II. World Heritage Convention

US/ICOMOS is pleased that the Department of Interior and the State Department wish to expand their responsibility under the Federal Interagency Panel for the World Heritage Convention and have made a commitment to rejoin the World Heritage Committee. U.S. dues under the State Deparment have been paid to the Convention and three official federal observers representing Interior participated in the World Heritage Committee meeting in Paris in November 1986.

US/ICOMOS is an observer on the Federal Interagency Panel for the World Heritage Convention. US/ICOMOS has an established record with the National Park Service in undertaking studies of U.S. sites for consideration as potential nominations as World Heritage sites. We plan to continue the nominations, such as those done in the past including

the Chicago Tall Buildings, the Frank Lloyd Wright theme and the Thomas Jefferson theme. The next theme to be studied is the Spanish missions for World Heritage nomination as an important contribution to the U.S. celebration of the Quincentennary.

US/ICOMOS will continue publication of the World Heritage newsletter, now in its fourth year, and conduct the 4th annual World Heritage Day. We will develop promotional materials for the 14 World Heritage sites, so that more and more Americans will become aware that their cultural heritage has international ranked status. US/ICOMOS will create a traveling exhibit out of the World Heritage exhibit, which is being jointly prepared by the National Park Service and US/ICOMOS, with assistance from the National Geographic Society, for presentation at the 1987 ICOMOS General Assembly.

US/ICOMOS will also be able to facilitate U.S. experts in advising other government officials responsible for World Heritage sites in other countries. Currently we are working on such a program under a National Park Service agreement with PL480 monies in Poland. This program can be more meaningfully accomplished if it is supplemented with funds from this US/ICOMOS budget request to Congress because PL480 monies cannot be used in the United States.

III. RESEARCH AND TRAINING, with an emphasis on the Quincentennary of the Discovery of America.

The US/ICOMOS Executive Committee has approved the Long Range Plans Committee Report, which identified the following research and training programs. These programs would be among those to be developed with the FY 1988 budget funds.

US/ICOMOS will create a U.S. computer terminal access to existing historic preservation automated data bases in Paris and Rome. Primary source of U.S. reference material is the National Park Service historic research reports. This wealth of information is inaccessible for efficient use by others.

US/ICOMOS has agreed to continue the North Atlantic Treaty Organization's study on Conservation/Restoration of Stone Monuments through a study on the Deterioration and Preservation of Historic Brick Buildings. We were asked to assume the U.S. coordination role by the Environmental Protection Agency, which it carried out for a number of years, and to insure the continued substantial involvement by the National Park Service. This program will develop methods of evaluating treatments and measuring for deterioration of brick and recommend maintenance techniques for monuments using brick materials.

US/ICOMOS is completing a National Park Service - funded project to prepare "A Preliminary Inventory of Nationally Significant Spanish Colonial Sites in the United States," and wishes to expand this inventory to privately owned Spanish Colonial Sites in the U.S.

US/ICOMOS will expand its summer building documentation program with the HABS/HAER (National Park Service units) to Spanish Colonial buildings with students from Spain, Caribbean, Central and South America.

US/ICOMOS will organize annual professional internships in public and private preservation organizations to focus on ICOMOS Italian and Spanish Committees.

US/ICOMOS will continue the US/ICOMOS Historic Preservation in Foreign Countries series to volumes on Spain, Italy, Caribbean, Central and/or South America.

In addition we will link American preservationists with ICOMOS specialized committees on training, vernacular architecture and wood through small symposia jointly sponsored by the National Park Service to define immediate and long-range needs in technology related to these fields.

US/ICOMOS will carry out a three-year responsibility for sponsorship of the ICOMOS Cultural Tourism Committee by planning National Park Service cosponsored symposium, which would include foreign government representatives from countries having both active and effective ministries of culture and tourism.

The U.S. Congress, the Department of the Interior through its National Park Service and US/ICOMOS have formed an exciting public-private partnership for international preservation. Through these jointly sponsored programs, supplemented with private funds, Americans will be better trained in preservation techniques and will contribute to preservation solutions worldwide through technical programs and publications and information exchanges. The American public is gaining a greater appreciation of its cultural monuments and of their relationshiop and significance to monuments around the world.

I refer you to the attached 1986 ICOMOS Annual Report for a summary of recent activities and accomplishments, many of them made possible by funding from the U.S. Congress under the National Park Service budget.

US/ICOMOS 1986 ANNUAL REPORT

THE CHAIRMAN'S REPORT, PRESENTED BY TERRY B. MORTON.

1986 has been a year of growth for US/ICOMOS. As October 1987 draws nearer we are learning to balance the immediate needs of the General Assembly with the continued development of the organization as a whole.

As you can imagine, the most urgent and pressing activity of the year has been planning and fundraising for the 8th ICOMOS General Assembly and International Symposium. One of the principal goals has been to seek the broadest worldwide participation in the meeting. In mid-April, more than 3,000 copies of the Announcement and Call for Papers, printed in English, French, Spanish, and Russian, were mailed to all ICOMOS members. As a result, more than 230 abstracts have been received for consideration. We understand

that this is the largest number of abstracts ever submitted for an ICOMOS General Assembly. Executive Committee member Paul N. Perrot was selected Rapporteur General, and members Weiming Lu, Hester A. Davis, Eduard F. Sekler and Kent Barwick were named Rapporteurs, charged with coordinating each of the General Assembly sub-themes. In August, the Rapporteurs met in Washington to make a first selection of papers. A second and final review has just been completed, and the Rapporteur's recommendations have been reviewed by ICOMOS officers in Paris. Letters announcing the selection of papers will be sent in the new year. Looking forward, registration materials will be mailed to every member of ICOMOS in the spring. It is only after we receive information back from our colleagues, that we will know how many people will be attending the meeting in the fall.

Another of our principal goals has been to carry out the logistical requirements of the meeting which will be held October 7 through 15. It directly follows the National Trust's National Preservation Conference which will also be held in Washington, D.C. The Hotel Washington has been named as the headquarters hotel; the National Building Museum will be the site of the General Assembly; and four auditoriums at the Smithsonian Institution will house the Symposium sessions. Hotel rooms for delegates have been reserved throughout Washington. In making arrangements, close contact with ICOMOS has been maintained. In August, we were honored to have Michel Parent, ICOMOS President, visit Washington to work with the Rapporteurs, to learn about General Assembly preparations and meet US/ICOMOS staff and members.

For many delegates this will be their first and only opportunity to see America and learn first hand about our cultural heritage. Afternoon excursions are being planned to communities and institutions in the Washington area, such as Alexandria and rural northern Virginia; Harpers Ferry, Annapolis and Baltimore, Md. In addition, post-meeting tours are being organized to destinations throughout the country including: Williamsburg, Charleston, Philadelphia, New York, Chicago and New Mexico. In cooperation with the Canadian committee, a tour north of the border is also planned.

Another important aspect of the meeting is extending its benefit to the widest number of people. For many students and members of local preservation organizations who are not able to join us in Washington, the General Assembly will go to them, in the form of travelling lecturers. A letter has recently been mailed to more than 600 potential host organizations. Later in 1987, the Center for Historic Preservation at Mary Washington College will begin matching delegates interested in undertaking a lecture tour with institutions wishing to receive and host a foreign colleague.

Two major grants have been awarded to assist us in producing materials that will be seen and read not only by the delegates in Washington, but by students, preservationists and others throughout the United States. The National Endowment for the Arts generously made a $30,000 matching grant to produce a publication entitled The American Mosaic: Preserving the Cultural Heritage of the United States. Covering the history of the American preservation movement, the text will emphasize events, activities and trends that have taken place in the two years since the passage of the National Historic Preservation Act. Robert E. Stipe and Antoinette Lee are co-editors, working with a cast of chapter authors.

Another exciting project underway is the creation of an exhibit based on the book What Style is It?, published by the National Trust. Made possible by a $30,000 grant from the Brown Foundation, the exhibit will be produced in cooperation with the National Park Service and the Smithsonian Institution Traveling Exhibition Service (SITES). After the General Assembly, it will be available to museums and preservation organizations throughout the country.

Exemplifying the public-private partnership that characterizes historic preservation in the United States, there are two official cosponsors of the General Assembly: the National Park Service and the National Trust for Historic Preservation. The General Assembly has received financial assistance from the U.S. Congress, through the National Park Service. In addition, John Poppeliers, International Liaison Officer for Cultural Affairs, has been

appointed to work closely with US/ICOMOS in planning and conducting the conference. Other National Park Service staff have also assisted US/ICOMOS, and for this we are most grateful.

US/ICOMOS has always been fortunate to receive strong and active support from its membership. Now, however, we need this support more than ever. It is not just the US/ICOMOS office and Executive Committee that is hosting the General Assembly and International Symposium, but the United States Committee. This means all of you. In the months ahead, we will need the assistance of many volunteers to do a variety of jobs, including special office projects, manning information booths, compiling tour notes and acting as excursion escorts. We are seeking volunteers at every level of expertise, and are especially in need of people with a working knowledge of another language.

Another more serious aspect of the General Assembly, for which we need your support, is fundraising. A full-time development officer, Andrea L. Cheatham, has recently been added to the staff. As you know, a Director of Programs, Russell V. Keune joined the staff in March. This has enabled me more actively to direct the planning of the General Assembly and spend more time seeking funds for the Assembly and general purposes. Support from the Chadwick Foundation and the L.J. and Mary C. Skaggs Foundation has been substantial. I can report to you that we have raised $580,000 of the $850,000 necessary to host the General Assembly, approximately 66% of the required funds. We are proud of this accomplishment, but there remains approximately $300,000 to be secured as soon as possible. Many of you have responded generously to the year-end appeal, and for this we are very thankful. We need everyone's support. In making a donation, however small, you are become a vital part of the General Assembly.

In addition to our work for the General Assembly, we have been busy this year developing new programs and seeking continued support for ongoing endeavors. Membership currently stands at 475; this is an increase of 6% since January 1986. Major membership promotional mailings during this period were made to three groups, and receptions were held in San Antonio and Austin, Texas, to introduce professional preservation audiences to US/ICOMOS.

To assist in our membership drives, a new US/ICOMOS information brochure was produced. Many of you may work for organizations, belong to societies, or have professional colleagues who would be interested in learning more about US/ICOMOS. Membership development is important. The larger the membership, the more we can accomplish. I would like to ask all of you to help us in this important task.

US/ICOMOS continues its strong involvement in the World Heritage Program. This year, World Heritage Day was celebrated by an evening program at the Mayflower Hotel in Washington, D.C., attended by 250 guests. The program featured presentations on World Heritage Sites in India and the United States. A reception following the program honored retiring Congressman Seiberling of Ohio for his significant contributions to international preservation.

During the year, working with the National Park Service, US/ICOMOS completed thematic studies on potential World Heritage designations for Frank Lloyd Wright, the Tall Building in America, and the works of Thomas Jefferson. The World Heritage Federal Interagency Panel voted at its August meeting, to proceed with the preparation of a cultural property nomination for Monticello and the University of Virginia. US/ICOMOS engaged Antoinette Lee, author of the preliminary study, to prepare the nomination. The final document will be submitted to the World Heritage Committee for consideration, in 1987, along with another cultural property: the Pu'uhonua Honaunau National Historical Park in Hawaii.

Our major legislative focus during this period has been on the FY 1987 Department of the Interior appropriation bill and the legislation introduced by Congressman Seiberling to strengthen the authority of the Department of the Interior and the Advisory Council on Historic Preservation regarding the environmental and historic aspects of U.S. government funded projects abroad. The US/ICOMOS appropriation was passed in October providing us with $149,000.

Congressman Seiberling's legislation did not pass in this Congress. I want to thank all of you who have written letters in support of these bills.

The US/ICOMOS commitment to exchange and educational opportunities abroad continued in 1986. Six British and 7 American students and young professionals were placed with British and American, public and private preservation organizations this second year of the US/ICOMOS Summer Internship Program. Strong interest in this type of program was demonstrated by the large number of applications received: 57 for the 7 American places. The program was supported by a grant of $37,265 from the U.S. Information Agency. This was matched by $33,752 in donations from organizations, foundations and individuals, for intern stipends. Among the major donors were the Kress Foundation, the AIA College of Fellows and the Royal Oak Foundation. An important source of money was members and friends who gave generously in response to our Valentine appeal. An orientation program was held in Washington, D.C., with subsequent review meetings in London and Williamsburg. We take pride in the ever-increasing professionalism of this program, however, our challenge remains the need for funds. We are hoping for continued support from the U.S.I.A. in 1987, but it is important to establish a secure and independent pool of funding for the entire program.

To complement the Summer Internship Program, we have also developed the Summer Documentation Program to enable non-British participants to join the HABS/ HAER teams of the National Park Service. This year 3 Irish students, 1 German student and 1 Canadian took part in this program. In return, the German ICOMOS committee arranged for an American to work and tour historic sites in the Federal Republic for 4 weeks. In total, US/ICOMOS made it possible for 19 young preservationists to participate in programs outside of their own country.

US/ICOMOS continued to promote ICCROM programs, process applications to ICCROM courses and conduct the jury nominating American participants on behalf of the Advisory Council on Historic Preservation. In 1987, 3 Americans will be attending the Architectural Conservation course in Rome: Carolyn Ewart from California; Barbara Zook and Michael Taylor, both from New Mexico.

Our study-tour program continues to be a way for American preservationists to meet colleagues from other countries while at the same time raising money for US/ICOMOS projects. We were disappointed to cancel our second tour, to Austria and Hungary, because of the troubled climate for international travel, but hope to reschedule in the future. A third tour to Australia and New Zealand is planned for May 1987. All of the places have been filled and a waiting list is being maintained. Bill Murtagh took a successful planning trip in June and was delighted at the welcome he received in these two Pacific nations as well as the excellent cooperation of the ICOMOS national committees and the National Trusts.

The visiting lecture program continued this year with guest lecturers speaking on historic preservation programs in Great Britain, Hungary, Singapore, Sweden and Ireland. There was a particularly good response to the Irish lecture with more than 60 people in attendance to hear Alistair Rowan, Chairman of Irish ICOMOS. There was a smaller turnout for other lectures, however, and the format for this program is being reviewed.

As in past years, it has been one of the pleasures of the US/ICOMOS staff to meet foreign visitors interested in the United States historic preservation system. In 1986, staff met with preservationists from the Yemen Arab Republic, India, Pakistan, Jamaica, Sweden, Venezuela and France, initiating discussions and creating links that we hope to develop in the future.

As with many other organizations, US/ICOMOS is looking forward to the Christopher Columbus Quincentenary in 1992. An inventory of nationally significant Spanish colonial sites, in the United States, began in April with the signing of a cooperative agreement with the National Park Service. A contract project director began work on this one-year project in June. The inventory will be published as

part of an international cooperative agreement venture with the Spanish Ministry of Culture.

US/ICOMOS has also expanded its activities in a number of other areas this year. Staff provided expert technical advisory services to two international projects and to the Conservation Trust of Puerto Rico, for the development of management policies and long-range historic property plans. We assisted the Singapore Tourist Promotion Board for the development of an implementation plan for Singapore's first historic district; and the Mexican Ministry of Urban Development and Ecology and the World Bank for the preservation of earthquake damaged properties in Mexico City's Colonial Historic District.

In another important project, a grant of $1 million, awarded in $200,000 increments over a five-year period, was received from the Brown Foundation in March. These funds are to be used for the reconstruction and adaptive-use of the 16th century Arneri Palace in Korcula, Yugoslavia, and the US/ICOMOS costs to administer the grant. A project contract was negotiated with the Mayor of Korcul and his committee during an inspection tour in April by Russell Keune and Elliott Carroll. In the last week of November, Terry B. Morton and M. Hamilton Morton, Jr., reviewed the project. In a ceremony, representing Nancy Wellin, Chairman of the Board of the Brown Foundation, we symbolically turned over the grant to the Mayor and citizens of Korcula. We hope to lead a tour to Korcula soon so that many of you can participate and enjoy this beautiful Adriatic setting.

At the beginning, I said that the US/ICOMOS staff has increased by two this year. In fact, it has increased by three. Through the generosity and professional assistance of one of our members, Stephen Thayer, US/ICOMOS has just acquired its first computer and two printers. This new equipment will be used to manage our financial and business affairs and to support the growing information base and processing associated with the 1987 General Assembly.

ICOMOS reflects its special interests through a series of specialized committees. Robertson Collins, of the US/ICOMOS Executive Committee was appointed Chairman of the ICOMOS International Committee on Cultural Tourism. Preliminary planning documents and a list of proposed members were presented to the ICOMOS Executive Committee by Mr. Colllins at the December meetings and approved. US/ICOMOS will serve as the Secretariat for this new American responsibility.

Also, on the international front, Ann Webster Smith, US/ICOMOS Secretary, was nominated by US/ICOMOS for a third term as an international vice-president of ICOMOS.

Looking towards the future, the Executive Committee formed a Program committee, this year, charged with developing recommendations of programs which could relate to future funding after the 1987 General Assembly. The committee is composed of Samuel Stokes, Chairman, Ellen Beasley, Elliott Carroll, Paul Perrot, Ann Webster Smith and Robert Stipe. The committee's goal was not to come to any final decisions but rather to review proposals on the future use of funds and to make a first attempt at prioritizing future programs. At its September meeting, the Committee reviewed and endorsed a list of proposed projects and agreed that projects should, in the future, be developed in five broad areas: the World Heritage Convention, Information and Dissemination, the Christopher Columbus Quincentenary Celebration, Technical Research and Training, and Education.

1987 will be an extremely busy year for US/ICOMOS. We will, however, continue to build our core programs, to the extent possible, to insure that US/ICOMOS continues to be an active organization after the General Assembly. At the last Executive Committee meeting, three new initiatives were approved: a redesign and expansion of the US/ICOMOS newsletter; to seek a corporate sponsor to underwrite World Heritage Day; to assist the National Park Service's International Affairs Program in their commitment to spend Surplus Foreign Currency in Poland, and, possibly, Pakistan.

For the past three years, US/ICOMOS has honored American preservationists for outstanding achievements in international preservation and notable long-term contributions to the advancement of preservation standards and programs. There are now ten US/ICOMOS Fellows: John O. Brew, Ernest A. Connally, Hiroshi Daifuku, Carl Feiss, James Marston Fitch, Robert R. Garvey, Frederick Gutheim, Richard H. Howland, Eduard F. Sekler, and the late Robert Thayer.

This year, the Fellows Jury met in November and was composed of Fellows Gutheim and Garvey and Executive Committee members Mary Dierickx and George Scheffer. The US/ICOMOS Chairman served as the Jury Chairman. At the end of the meeting, the Jury voted to honor two preservation educators in 1986.

Barclay Gibbs Jones is an architect, planner and economist. Educated at the University of Pennsylvania and the University of North Carolina, he has spent the majority of his career teaching at Cornell University in the Department of City and Regional Planning. Since 1965, Professor Jones has been active internationally. His projects have ranged from examining how social and economic systems influence modern settlement patterns in Jordan to organizing and executing lecture tours and training programs on historic preservation for the Beijing Administrative Bureau for Museums and Archaeological Data in China.

For the last several years, Professor Jones has turned his attention to mitigating the effects of natural disasters on cultural monuments and museums. Largely as a result of his efforts, disaster preparedness has gained stature in the international conservation field, and has become an important aspect of historic preservation planning. Professor Jones has lead in the development of conferences and short courses which bring together experts in a number of technical and administrative fields. He has aided many countries by the referral of conservators and scientists and has developed the most comprehensive bibliographic material in this specialization. Quietly, but persistently, he has been active in Yugoslavia, Romania, Japan and the People's Republic of China.

The second person we are proud to honor this afternoon, is Robert E. Stipe. A native Pennsylvanian, he was educated at Duke University and the University of North Carolina. From 1957 to 1974 he served as the Assistant Director and Professor of Public Law and Government at the Institute of Government, University of North Carolina. From 1974 to 1975 he was the Director of the Division of Archives and History for the State of North Carolina State University and the Department of City and Regional Planning, University of North Carolina. Since 1976, he has been on the faculties of the School of Design, North Carolina State University, and the Department of City and Regional Planning, University of North Carolina.

Professor Stipe has also been active internationally. He was a Senior Fulbright Research Fellow in England from 1968 to 1969. During that time he accumulated an indepth knowledge of British preservation law and practice, which he has since used in his teaching, lecturing and publications in the United States. In 1972 he led a 10-day National Trust "Workshop in England," which resulted in the creation of the Piedmont Environmental Council in Virginia. From 1971 to 1980 he was a member of the International Committee of the National Trust for Historic Preservation's Board of Trustees, during which time he strengthened the Trust's role in international preservation. Professor Stipe was a speaker at the ICOMOS Historic Quarters Conference in Warsaw and Cracow, Poland, in 1980.

A member of the executive committee since 1980, he has edited the series, Preservation in Foreign Countries, of which two volumes have been published. From 1984 to 1986 he served as Chairman of the Long-Range Planning Committee, producing the report "Conversations on the Future of US/ICOMOS." He is currently serving as an editor of the publication, The American Mosaic, which is scheduled for publication in 1987 as a part of the 8th General Assembly.

Professor Stipe is the recipient of numerous honors and awards for his work in historic preservation at the local, state, regional and national levels. He has generously shared his extensive knowledge of U.S. and foreign preservation law with colleagues, individuals

and organizations and for these reasons we proclaim him US/ICOMOS Fellow.

US/ICOMOS is blessed with a valuable and loyal core of members and volunteers, a highly professional staff and a dedicated Executive committee. I am most grateful to all of these colleagues.

Statement of John Fitzgerald, Washington Representative, Defenders of Wildlife

Mr. Chairman, I am John Fitzgerald, Washington Representative for Defenders of Wildlife's Endangered Wildlife Program. I first want to thank you on behalf of the nearly 600,000 members and constituents of Defenders and HSUS for your continuing leadership and for the opportunity to present testimony to your committee. We are very appreciative of the restorations and increases for the endangered species programs which you included in FY87 Interior Appropriations Bill. My testimony will address activities, other than land acquisition, of the Fish and Wildlife Service, the Bureau of Land Management, the Forest Service and the Park Service on behalf of endangered wildlife.

Fish and Wildlife Service - Endangered Species Program

Dollar Amounts in Thousands
(Personnel levels are in parentheses)

	FY88 Administration Request	Change from Admin. Req.	Recommended Total
Listing	3,222 (59)	+3,778 (+20)	7,000 (79)
Proposed and Final Listing		$6,000,000	

The Endangered Species Act requires that the Secretary list species that warrant it as endangered or threatened. This key function is done by federal employees but so few are assigned to the task that a large backlog of species that warrant or may warrant listing has existed for years. Species are literally becoming extinct while waiting to be protected. Only one of every three U.S. species that the Service has determined to warrant listing are actually listed (Approx. 425 vs. 950).

The current backlog of species for which existing data support listing is approximately 960 candidates (Catagory 1) At the $6m/yr. level these species could be listed in 10 years while appropriate delistings, reclassifications, and a modest number (20) of the approximately 2940 backlogged Category 2 candidate species could be accomodated annually, as needed. (Based upon approx. 3/yr average cost of $48,000. per species for listing, delisting or reclassification.)

Status Surveys $500,000

The current backlog of candidate species for which additional information is needed to determine whether listing is warranted is over 2900 species. (Category 2 candidates). At the current cost estimate of $6,000/per status survey the status of between 80 and 100 species could be determined annually, and thus decisions made as to whether listing is needed.

Candidate monitoring/Prelisting $500,000

This is to develop and implement an effective system for monitoring candidate species and taking action to conserve them in order to prevent extinction, avoid the need to list them, if possible, and determine whether emergency listing is necessary, if interim conservation steps will not reverse declines. This system should also be considered for application to recently delisted species. (Based on H.R. 1027, Section 1(a), approved by the House July 29, 1985 and enhancement provided by the Congress for FY87.)

The Director of the Fish and Wildlife Service is reorganizing the Service. One effect of the recommendations under consideration would be a drastic reduction in the staff and role of the Washington, D.C. office of Endangered Species (OES) in the development of the list of "Endangered and Threatened Wildlife and Plants".

Only 45 species were listed in calander year 1986, compared to 60 in calander year 1985. Indications are that the situation will not improve in 1987. The decline in performance may be due at least in part to the shift in listing responsibilities which has already accurred.

We therefore urge the Committee to instruct the Service that the funds provided in this line item are to increase the current pace of, and personnel for, listing and not to decrease either pace or personnel

Consultation	3,022	+ 978	4,000
	(75)	(+16)	(91)

The Act requires that agencies consult with the Secretary to ensure that their actions will not jeopardize species or harm critical habitat.

An enhancement of $778,000 will provide for increased federal personnel to conduct consultations and on-site reviews to determine conditions in the field and after consultation to assess compliance with the terms of biological opinions

In addition to continuing its instruction to consult concerning overseas effects of U.S. actions such as foreign assistance the Committee should instruct the Service to aggressively seek out and consult with other agencies concerning their projects that affect listed species in foreign countries.

An enhancement of $200,000 will ensure the continued development and implementation of the Endangered Species Information System (ESIS) to provide the information needed to conduct accurate and timely consultations.

Recovery	5,819	+ 6,381	12,200
	(53)	(+32)	(85)

An enhancement of $6,381,000 would enable this element of the endangered species program to begin to meet its basic responsibilities to move species toward recovery and removal from the list. By 1992 the program should have $23,200,000 especially considering new recovery plans and newly listed species. Until such an investment is made, the daily indirect costs of managing endangered wildlife and the frequent costs of crisis intervention will outweigh the "savings" from underbudgeting for recovery.

This should include a minimum of $900,000 for recovery planning to ennable the Service to ensure that they will be able at least cover direct planning costs and keep up with the listing of new species anticipated while making progress in reducing the backlog of recovery planning. Most listed species have either no recovery plan or a plan that is not being implemented despite the requirements of the Act. Despite an official goal of 77 new recovery plans for the past year, the Secretary approved only 22 plans.

This total should also include a minimum of $300,000 for the revision of plans as the Secretary reviews the status of listed species every five years.

The Recovery enhancement should include Specific Recovery Funding as follows:

Eastern Timber Wolf - Enhancement of $305,000
Rocky Mountain Wolf - Enhancement of $350,000
Red Wolves - Restoration & " " $170,000
Florida Panther - Enhancement of $600,000 (Complements NPS, Fla.)

The recovery total should include $35,000 for an educational program in bat conservation for U.S. Pacific Territories where endangered and near endangered bats are vital to agriculture (pollination and insect control).

Research and Development	4.742	+ 258	5,000
	(65)	(+4)	(69)

An enhancement of $258,000 will allow continuation of studies critical to the survival of several species at crisis levels.

Law Enforcement	5,843	+ 3,598	9,441
	(132)	(+35)	(167)

An enhancement of $3,598,000 will allow the full utilization of the existing agents and the addition of critically needed personnel. Lack of funds has allowed even blatant violations of the Act to go unchallenged.

The total enhancement should include $88,000 for the placement of a FWS enforcement agent on Guam to protect the ten listed Guam species for which the Service is responsible.

Inspectors

Wildlife inspectors examine import and export shipments at 9 designated ports, plus others on the Canadian and Mexican borders. In 1986, these shipments were estimated at 70,000. A particular problem is the large containers which can conceal wildlife products; over 1,000,000 containers enter Newark each year. The current number of inspectors cannot cover this number of shipments. The general enhancement would allow adding 10 inspectors (at $32,000/inspector) at the Port of Newark.

Permits	859 (24)	+ 100 (+2)	959 (26)

An enhancement of $100,000 will allow hiring additional staff or letting contracts to analyze information on the permits, primarily for imports under CITES, to detect suspected violations.

Cooperation with States	0 (0)	+15,000 (0)	15,000 (0)

An enhancement of $15,000,000 will allow funding all cooperative agreements, including those currently without funds, at the FY77 level. The small amount of money currently available to each state makes it very difficult to carry out an effective endangered species program at the state level. In requesting Section 6 grants states have reduced their requests and have curtailed their endangered species activities because of their prior knowledge that Section 6 funds would not be available. The states are willing and able to make good use of far more funds.

Bureau of Land Management:

Wildlife Habitat	13,800	+ 6,200	20,000

The Endangered and Threatened Wildlife portion of the Wildlife Habitat appropriation for BLM should be at least $5 million in order to begin to protect the 127 listed species occuring on BLM lands. The Bureau should also be instructed to devote additional personnel to the conservation of the listed and candidate populations of desert tortoise and its habitat, in addition to filing the report requested by Congress that is due on March 1, 1987. This amount should also include:

1. Resource Protection: Establishment of an additional Ranger Position is needed to increase patrol and enforcement actions at the DTNA and in the nearby patrol sectors of the Resource Area - $40,000.
2. Resource Monitoring: A $10,000 contract should be issued each year for either trend plot analysis or special studies such as raven predation. This would include a trend plot analysis anually.

Forest Service

Fish and Wildlife Habitat	37,900	+ 7,100	45,000

The Forest Service recognizes a growing number of listed species on its 191 million acreas - as of January 1987: 129. The cut of $1,307,000 proposed for endangered, threatened and sensitive species management is absurd. More absurd is the proposed cut is personnel of 31 FTE's. This should be specifically forbidden by the Committee.

The enhancement requested should include funds to underwrite full participation of the Forest Service in Rocky Mountain and Eastern Timber wolf and red cockaded woodpecker recovery activities.

National Park Service

The NPS requires enhancements of $600,000 to implement the revised Florida Panther Recovery Plan in the Everglades and Big Cypress Units and $100,000 each for Rocky Mountain Wolf Recovery in Glacier and Yellowstone.

A supplementary analysis of these budget requests is attached. Thank you for your consideration

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Supplementary Analysis

The budget totals recommended in this document reflect the general consensus of the Endangered Species Act Reauthorization Coalition of some 30 Conservation and Animal Welfare Organizations. Members of the Coalition contributed substantially to the analysis and in some cases the drafting according to areas of expertise. This analysis also contains examples of enhancements Defenders and others have recommended for specific projects for Fiscal Year 88.

Fish and Wildlife Service

Endangered Species Program

Dollar Amounts in Thousands
(Personnel levels are in parentheses)

	FY88 Administration Request	Change from Admin. Req.	Recommended Total
Listing	3,222 (59)	+3,778 (+20)	7,000 (79)
Law Enforcement	5,843 (132)	+ 3,598 (+35)	9,441 (167)
Permits	859 (24)	+ 100 (+2)	959 (26)
Consultation	3,022 (75)	+ 978 (+16)	4,000 (91)
Recovery	5,819 (53)	+ 6,381 (+32)	12,200 (85)
Research and Development	4.742 (65)	+ 258 (+4)	5,000 (69)
Cooperation with States	0 (0)	+15,000 (0)	15,000 (0)
Fisheries, Hatchery Operations - ESA	163 (3)	0 (0)	163 (3)
Total	23,670 (411)	+30,093 (109)	53,763 (520)

FY89 - 92:

Consultation: $5, 6, 6.5, 7 million.

Recovery: $14, 17, 20, 23.2 " .

State Cooperation: $15, 19, 23, 25 " .

The remaining functions would be level-funded.

Dollar Amounts in Thousands
(Personnel levels are in parentheses)

	FY88 Administration Request	Change from Admin. Req.	Recommended Total
Listing	3,222 (59)	+3,778 (+20)	7,000 (79)

Proposed and Final Listing **$6,000,000**

The Endangered Species Act requires that the Secretary list species that warrant it as endangered or threatened. This key function is done by federal employees but so few are assigned to the task that a large backlog of species that warrant or may

warrant listing has existed for years. Species are literally becoming extinct while waiting to be protected.

The current backlog of species for which existing data support listing is approximately 960 candidates (Catagory 1) At the $6m/yr. level these species could be listed in 10 years while appropriate delistings, reclassifications, and a modest number (20) of the approximately 2940 backlogged Category 2 candidate species could be accomodated annually, as needed. (Based upon approx. 3/yr average cost of $48,000. per species for listing, delisting or reclassification.)

It is necessary that FWS/OES achieve and maintain a higher listing rate than in the past in order to avert extinctions among candidate species and in order to fulfill the purposes of the Act.

Status Surveys **$500,000**

The current backlog of candidate species for which additional information is needed to determine whether listing is warranted is over 2900 species. (Category 2 candidates). At the current cost estimate of $6,000/per status survey the status of between 80 and 100 species could be determined annually, and thus decisions made as to whether listing is needed.

Candidate monitoring/Prelisting **$500,000**

This is to develop and implement an effective system for monitoring candidate species and taking action to conserve them in order to prevent extinction, avoid the need to list them, if possible, and determine whether emergency listing is necessary, if interim conservation steps will not reverse declines. This system should also be considered for application to recently delisted species. (Based on H.R. 1027, Section 1(a), approved by the House July 29, 1985.)

The Director of the Fish and Wildlife Service is planning to reorganize the Service. One effect of the recommendations under consideration would be a drastic reduction in the staff and role of the Washington, D.C. office of Endangered Species (OES) in the development of the list of "Endangered and Threatened Wildlife and Plants". Much of the role of the experienced staff of the listing branch of OES has already been eliminated. With increasing decentralization of the Service since 1984, for example, the lead responsibility for initially developing most listing packages has been given to field and regional Service Biologists.

We are quite concerned about what further reductions of OES may portend for endangered species. At a time when listings must be enhanced in order to avert further extinctions among the qualifying candidate species backlogged for listing (over 900), the Service's listing pace is dropping. Only 45 species were listed in calander year 1986, compared to 60 in calander year 1985. Indications are that the situation will not improve in 1987. The decline in performance may be due at least in part to the shift in listing responsibilitites which has already accurred.

We therefore urge the Committee to instruct the Service that the funds provided in this line item are to increase the current pace of, and personnel for, listing and not to decrease either pace or personnel

Dollar Amounts in Thousands
(Personnel levels are in parentheses)

	FY88 Administration Request	Change from Admin. Req.	Recommended Total
Consultation	3,022 (75)	+ 978 (+16)	4,000 (91)

The Act requires that agencies consult with the Secretary to ensure that their actions will not jeopardize species or harm critical habitat.

An enhancement of $778,000 will provide for increased federal personnel to conduct consultations and on-site reviews to determine conditions in the field and after consultation to assess compliance with the terms of biological opinions. The annual number of consultations is roughly five times what it was in 1979 and the appropriations level is lower now in real dollars. The Service had adapted by conducting far more informal consultations but the number of formal consultations has been increasing recently and the quality of the consultation process, both in the formulation and the enforcement of the terms of biological opinions, has declined overall as the Service attempts to meet its 90 day consultation deadlines. This can result in damage to listed species and their habitats to such an extent that recovery is delayed and declines are caused contrary to the intent of the Act.

An enhancement of $200,000 will ensure the continued development and implementation of the Endangered Species Information System (ESIS) to provide the information needed to conduct accurate and timely consultations.

By FY92, Consultation should be funded at at least $7,000,000 given the increase in species, in formal consultations required, and the need to increase quality while maintaining timeliness.

Dollar Amounts in Thousands
(Personnel levels are in parentheses)

	FY88 Administration Request	Change from Admin. Req.	Recommended Total
Recovery	5,819 (53)	+ 6,381 (+32)	12,200 (85)

The Act requires that the Secretary develop and implement recovery plans for every species listed unless he finds affirmatively that such a plan will not promote the conservation of the species. These plans are to help guide interagency planning and consultation under Sections 7(a)(1), (affirmative conservation by the Secretary and others), and 7(a)(2), (preventing government action from jeopardizing species).

The Secretary has approved plans for only 243 of the 928 species listed. Roughly 40 percent of 420+ listed species found in the U.S. have no approved recovery plan. Other plans in need of revision languish. In the mid-1980's far less than half of the approved plans were being actively implemented. Most of those that are implemented are only implemented to the extent necessary to avoid extinction or maintain current populations. Relatively few of the actions called for in the plans to move beyond maintainance and bring about recovery are ever taken. One result

is that in 1984, the last year such reports were compiled, the Service's recovery implementation reports, covering 234 species, showed that only 23 species were known to be increasing, 10 were stable, trends for 154 were unknown and over 30 listed species were at crisis population levels or presumed extinct. Since then new species have joined that group. For example, the Black-footed ferret has fallen from 129 to around 20 and the Palos Verdes Blue Butterfly has been literally bulldozed into oblivion.

An enhancement of $6,381,000 would enable this element of the endangered species program to begin to meet its basic responsibilities to move species toward recovery and removal from the list. By 1992 the program should have $23,200,000 especially considering new recovery plans and newly listed species. Until such an investment is made, the daily indirect costs of managing endangered wildlife and the frequent costs of crisis intervention will outweigh the "savings" from underbudgeting for recovery.

This should include a minimum of $900,000 for recovery planning to ennable the Service to ensure that they will be able at least cover direct planning costs and keep up with the listing of new species anticipated while making progress in reducing the backlog of recovery planning.

This total should also include a minimum of $300,000 for the revision of plans as the Secretary reviews the status of listed species every five years.

Wolf Recovery Funding

-Eastern Timber Wolf - Enhancement of $305,000: $275,000 is needed to determine the extent, cause, and corrective steps necessary for controlling the incidence of heartworm and parvovirus; for working with state agencies to minimize the negative impact of road-building in wolf habitat, to continue the monitoring necessary throughout the seven wolf study regions to assure an adequate natural prey base and an adequate depredation control program and enhance public education about the wolf. In Wisconsin $30,000 is needed for more aggressive measures such as vaccination. Wisconsin is home to about 20 timber wolves that have come from Minnesota in recent years. Their recovery has been threatened by attacks of heart worm and parvovirus, diseases thought to be introduced by man or his pets.

Rocky Mountain Wolf - Enhancement of $350,000: $80,000 is needed for either the FWS or the Park Service to continue the monitoring of wolves and their prey base in the Glacier National Park area that is necessary in order to design an adequate depredation control program and implement an effective recovery program. $30,000 for public education and information including a slide/tape program and printed materials about wolf recovery; $80,000 for surveys of public opinion necessary for effective targeting of public education efforts; $10,000 on research on wolf-prey relationships. $100,000 for non-lethal depredation control technologies such as guarding dogs, taste aversion, and radio-triggered tranquilizing collars; $50,000 for developing and implementing a joint public-private program to of compensation for livestock lost to experimentally reintroduced populations of wolves.

The recovery total should include a restoration and enhancement of $170,000 for continuing the red wolf reintroduction project. The establishment of a self-sustaining population of red wolves at Alligator River NWR is a priority project, which should be fully funded. For FY88 $140,000 is needed to support work following the release of the wolves on the refuge in Spring FY87. (Costs include salaries for 2 FTEs to monitor and track the wolves, tracking equipment and air time, and travel for the

project coordinator and two additional pairs of wolves to be brought to the refuge.) An additional $30,000 is needed to pursue other red wolf release sites and to assure wild young will be available for future reintroductions. Reprogramming of existing base funds as the Administration proposes to support the red wolf project will take funds from other endangered species, including probably sea turtles and the red-cockaded woodpecker.

Too often recovery funds are provided by Congress and to a certain extent by the administration to the "glamor" species and less appealing species are neglected. For example, bats in U.S. Territories.

The recovery total should include $35,000 for an educational program in bat conservation for U.S. Pacific Territories. Five to six hundred endangered Marianas fruit bats (Pteropus mariannus) remain on the island of Guam. A proposal to expand the listing of this bat to islands in the Commonwealth of Northern Mariana Islands (CNMI) is under consideration by the Fish and Wildlife Service. Overhunting, poaching and predation by the introduced brown tree snake continue to play major roles in the decline in bat numbers on Guam and on a number of other islands in the Marinas and Micronesia.

The decline in fruit bat numbers in the Pacific is having a serious effect on the ecology and agricultural economy of the islands.

The production of an educational slide and video program is critical in the education of islanders about the importance of bats to island ecology. Such a presentation could provide information about the importance of bats to Pacific plants, such as breadfruit, coconuts and mangos and the problems which their extirpation could cause. The need for bat management would also be addressed. The program would be widely distributed throughout the region, particularly to schools.

In sum, in order to accomplish recovery for the many listed species, glamorous or otherwise, a substantial appropriation for general recovery work is essential. Therefore, the remainder of the recovery enhancement should be directed toward actions called for in plans or other actions clearly warranted for conservation and recovery.

Dollar Amounts in Thousands
(Personnel levels are in parentheses)

	FY88 Administration Request	Change from Admin. Req.	Recommended Total
Research and Development	4,742 (65)	+ 258 (+4)	5,000 (69)

The Fish and Wildlife Service's Research and Development activities seek new strategies to enhance the survival and recovery of endangered species. There are two major thrusts to the Service's efforts in this area: biological studies and captive breeding programs.

Biological studies provide a greater understanding of the special characteristics of an animal and its habitat to speed recovery of the species. for example, Fish and Wildlife scientists are examining the behavior and environmental requirements of the Florida panther, the gray wolf, the woodland caribou, and the West Indian manatee, among others.

Captive breeding has as its objectives the establishment of wild populations of listed species in suitable habitat, or enhancing existing populations already in the wild. One of the most notable efforts in this area has been the rise of the whooping crane through captive propagation and its reintroduction into former native habitat.

An enhancement of $258,000 will allow continuation of these important studies, keeping the research capacity at a level necessary to support ongoing recovery efforts. The modest increase recommended will allow some important additional work to be performed, such as a study on the prey base for gray wolves in the western United States. Other needed studies include theoretical and general research on population viability; the application of island biogeography and biosphere reserve concepts to endangered species management; and baseling information on many endangered animal and plant species. General and theoretical research will become increasingly important as habitat continues to be lost and problems of genetic management increase. Taking a preventive approach to management would increase the chances of preserving species bewfore they reach critically low levels, making management more effective and less costly.

Increases in funding for endangered species-related research in the Cooperative Fish and Wildlife Research Units would complement the FWS R&D program. The in-house FWS research effort has tended to focus on a relatively few high-profile species. Expanding endangered species work in the Cooperative Research Units would provide a needed increase in the kinds of species covered.

Dollar Amounts in Thousands
(Personnel levels are in parentheses)

	FY88 Administration Request	Change from Admin. Req.	Recommended Total
Law Enforcement	5,843 (132)	+ 3,598 (+35)	9,441 (167)

The Service is responsible for persuing those responsible for violations of the Endangered Species Act, and for gathering the necessary evidence for prosecution.The administration's approach to endangered species law enforcement does not do justice to the Act. It provdes neither the personnel nor the direction to properly enforce the law. The current funding level cannot even cover all costs, such as travel costs, for all agents, which considerably reduces their effectiveness.

An enhancement of $3,598,000 will allow the full utilization of the existing agents and the addition of critically needed personnel. It would also allow some funds for continuing the improvements in forensic capability started in previous years with funds for the forensic laboratory, now under construction.

The current number of Fish and Wildlife special agents is inadequate to meet the need: wildlife violations go uninvestigated for lack of funds. In addition, current funding cannot cover all necessary costs for existing agents. Cost per agent is about $85,000/year, including overhead, travel, costs of hiring expert witnesses, and other needs. The recommended enhancement would allow the addition of at least 25 special agents plus equipment.

These agents are needed to protect well-known species such as wolves, bears, and eagles but they are also sorely needed for other duties such as endangered species enforcement in U.S. Territories.

The total enhancement should include $88,000 for the placement of a FWS enforcement agent on Guam to protect the ten listed Guam species for which the Service is responsible.

From 1981 to 1984, the Fish and Wildlife Service maintained a single law enforcement agent on Guam. By the time that the Marianas fruit bat was listed as endangered in 1984, however, that the agent had left the island. Following his departure, an agent from the National Marine Fisheries Service, working under a memorandum of understanding with the FWS, has been assigned to the island. That agent left Guam in late 1986. Since that time, there has been no enforcement of endangered species laws on the island.

Inspectors

Wildlife inspectors examine import and export shipments at 9 designated ports, plus others on the Canadian and Mexican borders. In 1986, these shipments were estimated at 70,000. A particular problem is the large containers which can conceal wildlife products; over 1,000,000 containers enter Newark each year. The current number of inspectors cannot cover this number of shipments. The general enhancement would allow adding 10 inspectors (at $32,000/inspector) at the Port of Newark.

Dollar Amounts in Thousands
(Personnel levels are in parentheses)

	FY88 Administration Request	Change from Admin. Req.	Recommended Total
Permits	859	+ 100	959
	(24)	(+2)	(26)

The Wildlife Permit Office issues permits under the Endangered Species Act and the Convention on International Trade in Endangered Species (CITES), compiles CITES annual reports, and acts as the CITES Management Authority for the U.S.

An enhancement of $100,000 will allow hiring additional staff or letting contracts to analyze information on the permits, primarily for imports under CITES, to detect suspected violations. These violations would then be reported to Law Enforcement for investigation. The task of analyzing permit data is currently done by conservation organizations which are unable to provide the consistent analysis the program demands.

Dollar Amounts in Thousands
(Personnel levels are in parentheses)

	FY88 Administration Request	Change from Admin. Req.	Recommended Total
Cooperation with States	0	+15,000	15,000
	(0)	(0)	(0)

The goal of state grants under Section 6 of the Endangered Species Act is to encourage cooperative agreements between the states and the federal government to mulitply endangered species work.

Section 6 provides financial assistance for a key element of successful treatment of endangered species. State grants are an integral part of the data gathering and recovery process. Section 6 grants stimulate interest and build expertise at the state level as well as increase the resources devoted to endangered species work through the state match.

In 1977, there were 21 cooperative agreements and an appropriation of $4,000,000, providing almost $200,000 per agreement.Today there are 76 cooperative agreements with 46 states and trust territories, a nearly four-fold increase in the number of agreements. Appropriations in FY87 totalled $4,300,000, essentially the same amount appropriated ten years ago when there were only 21 cooperative agreements. While Section 6 provided $200,000 per agreement in 1977, today it averages only $57,000, a woefully inadequate sum, and five cooperative agreements receive no funding at all. In addition, the number of federally listed species has increased for 623 in 1977 to 937 in 1986.

An enhancement of $15,000,000 will allow funding all cooperative agreements, including those currently without funds, at the FY77 level. The small aount of money currently available to each state makes it very difficult to carry out an effective endangered species program at the state level. In requesting Section 6 grants states have reduced their requests and have curtailed their endangered species activities because of their prior knowledge that Section 6 funds would not be available. The states are willing and able to make good use of more funds. The following examples illustrate existing activities plus the kinds of activities to which states would give priority with significantly higher amount of Section 6 funds.

- Massachusetts received $16,000 to develop a recovery plan and life history of the Plymouth red-bellied turtle. Far more research and work on habitat protection needs to be done for the piping plover, the short-nosed sturgeon in the Merrimack River, the Atlantic Ridley sea turtle, the roseate terns at Cape Code and the small-whorled pogonia.

- New York received only $19,500 of the $71,000 it requested for work on its endangered plants.

- The Florida panther numbers are probably between 20 and 30 and depends on Section 6 funding for much of its protection. Many endangered Florida species already suffer for lack of funds to the extent that even well known species such as the red-cockaded woodpecker and the manatee are losing habitat, and in the long run, will lose the fight with extinction if work on their behalf including not only research but tougher law enforcement and more aggressive recovery work at the state level is not increased.

Statement of Eric Hertfelder, Executive Director, National Conference of State Historic Preservation Officers

For FY 1988 the National Conference of State Historic Preservation Officers requests $60.0 million from the Historic Preservation Fund, up to 50% of which may be used for the restoration of historic properties.

The NCSHPO represents the Gubernatorially appointed State Historic Preservation Officers in the 57 States and territories. These officials administer for the Secretary of the Interior the nation's historic preservation program, with 50% funding provided from the Historic Preservation Fund.

The $60.0 million requested only begins to meet the tremendous un-met needs of the nation's historic properties. An appropriation level of $60.0 million would permit the reinstatement of restoration grants from the most endangered National Register properties. Under our request, up to $30.0 million would be available nationwide; this compares with a current

backlog of requests in SHPO offices for work totalling over $300,000,000.00 for the restoration of historic properties. As an example of an endangered landmark, Robert Mills' waterworks on the Schuylkill River continues to deteriorate for lack of restoration funds. Someday, without help, Amtrak riders may no longer see this familiar landmark while travelling north from Philadelphia.

Sweet Auburn is an historic black neighborhood in Atlanta, listed on the National Register of Historic Places, and is in many ways the home of the Civil Rights Movement. Last year, because there was no money available for restoration from the Historic Preservation Fund, former Representative--now Senator--Wyche Fowler introduced legislation to create a revolving fund for the neighborhood's restoration from NPS operational funds. Senator Fowler's response illustrates that the only way a Member of Congress can help an historic site in need is to pass special legislation, or propose acquisition by the National Park Service, which brings with it the responsibility of perpetual federally funded maintenance.

There would be less need for this approach if the existing national historic preservation program regained adequate funding and the ability to give restoration grants. The delivery system is in place and ready to go. The States have had twenty years of experience in administering grants and other assistance to the landmarks that people care about in every part of the country.

The problem today with the system is that it's out of gas. The program has been so underfunded that the States are no longer able to carry out all the responsibilities given to them by Congress.

For example, a number of States, including Vermont and West Virginia, have been forced to halt work identifying and recording historic buildings and archeological sites, and preparing plans for their protection. Without identification, the program is defeated before it is begun, as the very resources the program is designed to protect remain unknown. The loss of planning cripples the ability of the States, municipalities and the federal government to integrate historic preservation into their development projects, leading to unnecessary conflicts and losses. In Pittsfield, Massachusetts, the SHPO helped to save the historic downtown from demolition for a suburban-style shopping mall. However, the SHPO had no resources to follow up and assist in the retail revitalization of the downtown. $60.0 million would give Massachusetts the resources to help Pittsfield, Vermont the resources to identify properties in Bennington and Richford, and West Virginia the resources to work in Wheeling and Cabell County.

The Certified Local Government Program (or CLG), created in the 1980 Amendments to the National Historic Preservation Act, is another activity which is being stunted for lack of adequate funding. The CLG program grew out of a recognition that the successes of the State/federal partnership needed to be repeated between State and local governments. Because the best protection of historic properties occurs at the local level, the CLGs are a crucial addition to the national preservation program.

Among the States, Georgia has led the nation in making the CLG program work. However, at current funding levels, Georgia will have no choice but to abandon its innovative CLG assistance program in FY 1988. The 300+ communities which are already certified, and the thousands of other communities which are eligible, need this kind of technical assistance to become full partners with the States and the nation. The Pennsylvania SHPO has identified sixty communities qualified to become CLGs, but has been able to help only six to become certified.

The State historic preservation offices, joined by increasing numbers of local governments, are the means by which the national historic preservation program is implemented. The experience of the past twenty years has created a model delivery system based upon a partnership of the federal, State and local governments. This delivery system is efficient, in that it distributes program responsibilities to the party and level best able to execute them, and also economical, in that a minimum dollar-for-dollar match is required to participate in the program. Thus, the federal government can accomplish a national preservation program at half-price.

In summary, Mr. Chairman, the States request $60.0 million for FY 1988, and recommend that up to half of the $60.0 million be available for matching grants for the restoration of historic properties. This level of funding will

not only renew the program's ability to assist individual properties, but will raise the matching funds available to the States and Certified Local Governments to a level where the minimum requirements of the National Historic Preservation Act can once again be carried out.

The States have two final requests to the Committee concerning funding for the State and local government programs. First, concerning the FY 1987 appropriation, the States urge the Committee and Congress to reject the proposed rescission of the Historic Preservation Fund. Second, concerning the future of the Historic Preservation Fund, the States urge the Committee to recommend re-authorization of the income to the Fund, which currently expires at the end of FY 1987.

The National Conference of State Historic Preservation Officers also strongly supports continued funding for other essential elements of the nation's historic preservation program, including the National Trust for Historic Preservation, the National Park Service's Cultural Programs, the Advisory Council on Historic Preservation, and US/ICOMOS, which links our efforts in preservation with those of eighty three other countries. The recommended funding levels for these programs is detailed in the attached summary cover sheet.

Statement of Roger Hoeksema, Cooperative Forest Management Specialist, Michigan Department of Natural Resources

As a Cooperative Forest Management Specialist with the Michigan Department of Natural Resources I have a keen interest in urban forestry. I am concerned about the proposed appropriation for the urban forestry line item in the USDA Forest Service 1988 budget. It is essential to maintain funding levels at $2.0 million for this important project.

Funding levels for urban forestry have always been minimal but the results have been significant. Back in 1979 and 1980 Michigan had federal grant monies to fund urban forestry projects. These grants were 50/50 matching grants. Seventeen grants were funded in 1979 for a cost of $46,413. In 1980, thirteen grants were funded with $49,471. The grants funded such projects as tree inventories, training programs, drafting of tree ordinances, nursery feasibility studies, development of tree management plans and computerizing tree inventories.

In addition to these grants, federal urban forestry monies funded a state urban forester. A state urban forester serves a very important function. He works with professional organizations, interest groups and universities; provides technical assistance to city officials, planning commissions, and city foresters; provides information to legislators; and works to educate the general public about our urban and rural forest resources.

Urban forestry is becoming more and more important every day. As our nation's population increases and our society becomes more complex the need for forests, parks and greenspace becomes more critical. In addition to providing us with needed forest products our forest resources provide an environment to ease tensions and stress.

A disturbing fact of today's society is its growing alienation from understanding natural processes and relationships. A vast majority of our people live in urban and suburban areas and have little understanding of the natural world around them. Many of the future problems on the near horizon are going to be resource related; water, acid rain, and toxic waste disposal to name a few. How we deal with these problems will have a major impact on our health and quality of life. A solid understanding of nature is necessary to make wise decisions. Urban forestry can play a key role in helping them improve the quality of life in their local communities.

Thank you for this opportunity to submit a statement for the record.

Statement of Ronny Cousar, City Arborist, Forestry Division, Bureau of Parks, Baltimore, MD

As an arborist and manager of one of the largest urban forest in the nation, the 1988 proposed budget appropriation for the urban forestry line item in the USDA Forest Service is one of great importance to me. In the past, the funding has been maintained at $2.0 million dollars, which is a total under estimation of the funding needed to maintain and enhance this necessary resource throughout the nation.

The benefits derived from this resource is immeasurable in the City of Baltimore where forest service technical assistance grants have been used to implement planting projects to replace the many trees we have lost due to storms, diseases, vandalism and natural mortality, and initiate spray programs to bring tree damaging pests to a tolerable level. The benefits this has brought Baltimore has been great.

The efforts and advances made by geneticists, nurserymen, and plant pathologists in urban forestry have greatly enhanced the quality of life to residents. This funding is part of the Forest Service's Forest Recreation Research Budget and not a separate line item. I am requesting funding for this crucial item to be maintained at last year's level of $1.0 million dollars.

In the Baltimore area, research funding has been used to monitor gypsy moth populations, monitoring the effect of Dutch Elm Disease, both items capable of causing great destruction to trees.

The environmental and human importance of urban forestry is increasing steadily as the public is becoming more aware of the attributes we receive. Baltimore has placed this as a top priority. I hope you find it in your hearts to do the same.

Thank you for this opportunity to submit a statement for the record.

Statement of Bailey Hudson, Park Superintendent, Santa Maria, CA

I am Bailey Hudson, Park Superintendent of the City of Santa Maria and a member of the California Urban Forests Council.

I have a deep and concerned interest for the future of the urban forests of the United States. I am also concerned about the proposed appropriation for the urban forestry line item in the U. S. D. A. Forest Service 1988 budget. The current funding level of $2.0 million is at best minimal and increased funding is necessary for this important project.

The urban forests of America are collectively the undesignated national forest that offer social, cultural, sensory and economic benefits for all citizens of this country. Therefore the federal government must share some small responsibility for the welfare of this vital national resource.

Although the funding level for urban forestry has been minimal, the returns for investment have been significant. As an example, in my home town of Santa Maria, California, Forest Service technical assistance and grant monies have developed our urban forestry computer program.

The value of the software was recently estimated at $15,000. Total funding for this program was $42,000. The City of Santa Maria contributed $22,700. The software and user's manual will be distributed to other cities throughout the United States at a fraction of the cost. Our city alone will save $1,500 per year in labor as a result of the computer program. Again, this is technical assistance that will produce ongoing and substantial monetary returns for a low cost investment. Much can be accomplished for cities though technical assistance, and increased funding is necessary.

Proposed research funding of $1.0 million is also inadequate. There are many active urban forestry research programs that are currently being conducted by the U. S. D. A. Forest Service. To be effective these programs must be granted additional funding.

Damage to public improvements caused by the root systems of street trees is the number one urban forestry problem in the United States. Nationally, repair costs have been conservatively estimated at over $1.5 million per year. Research involving these costly conflicts between tree roots and public improvements is being managed by the Pacific Southwest Forest and Range Experiment Station in Berkeley, California. This study involves root pruning methods and testing of root barriers to reduce damage caused by tree roots. Genetic variation of the root systems of young trees is also being researched to achieve the same objective. Obviously this is cost effective biological research and will require an additional $100,000 over the next four years. There is no doubt that this study will yield significant returns for a relatively small investment.

Weaning of cities from federal money is causing many public agencies to abandon their urban forestry programs. It seems that the so-called amenity services finish last when money is tight. There is however, a growing consensus that well managed urban vegetation contributes to the mental well being of the urban dweller. Therefore, we must learn to understand the urban forest complex as an ecosystem and practice multi-use sustained yield management for the health and welfare of people.

We appreciate the support this committee has demonstrated in past years, and ask you once again to support these efforts. The request of a $100,000 increase for research is again minimal considering the potential for return. Technical assistance and research has been very effective throughout the country and is important to the quality of American lives.

Thank you for this opportunity to submit this statement for the record.

Statement of Larry B. Blasing, Forester, F.H. Stoltze Land & Lumber Co.

Our Company is particularly concerned about the level of appropriations for the U.S. Forest Service and Bureau of Land Management timber sale program. We operate three sawmills in Darby, Dillon and Columbia Falls, Montana. We are dependent on the timber sale programs from these agencies as the major source of raw material for our manufacturing facilities.

The raw material supply for our sawmill comes from a combination of sources. As purchase opportunities present themselves, we buy timber from private, State of Montana, Bureau of Land Management and Forest Service lands. The major source of our raw material for all three mills is U.S. Forest Service timber sales. In all cases the opportunity to purchase private and State logs is limited and not a substitute for Forest Service timber.

The budgeting process for Forest Service and BLM timber has not served us well. The Resource Planning Act Assessment and Program show very clearly that the Forest Service and other timber sources are going to have to sell more timber to meet the high demand for wood products. Yet the timber sale appropriation requests and the levels approved by Congress are well below what is required to meet national demands. If our industry is to maintain itself, appropriations for timber sale programs will have to be increased significantly. The forest products industry assumes all of the risks of large capital investment yet we have no control over the level of raw material that is available to us.

The past two years have brought record demand for wood products in the United States. We have seen record production from our industry to help supply that demand. However, this has not been accomplished without a cost.

In our area it is generally accepted that a sawmill must have from two to three years timber under contract in order to operate efficiently. Western Montana has a variety of species and logging restrictions that make it necessary to be flexible in our operations. Markets and product demand changes during the year. While the construction market may be high during the spring, the home repair market may be high during the fall. Each requires a different mix of species and product.

We also have restrictions on the time of the year we can log in a given area. High elevation timber sales can best be logged in the summer. Seasonal conflicts with wildlife, soil compaction, public recreation and a variety of other uses dictate when a particular timber sale can be logged. These restrictions limit the flexibility of a company to log the timber sales that they purchase. It was Congressional action that dictated the process that brought about these restrictions and it will take Con-

gressional action through increased appropriations for increased levels of timber harvest to allow our industry to operate under this structure.

Because of the restricted Forest Service and BLM timber sale programs that we have had in recent years the volumes under contract for our three sawmills has decreased dramatically. Both our Dillon and Darby mills have about one years timber under contract at this time. One more year of decreased timber under contract will cause us to re-evaluate our position to see if the operations are still viable. Each mill generates direct employment for approximately 200 mill workers and loggers in communities that are dependent on these operations for economic survival.

Our raw material supply situation is not unique. Many other companies in Western Montana are in a similar raw material crisis.

The problem can be illustrated using our Dillon operation as an example. Dillon is located in the geographical center of the Beaverhead National Forest. The sawmill uses approximately 26 million board feet of logs annually. These logs come from private, BLM and Forest Service timber sales. The volume of private logs available is limited to approximately five million board feet or less annually. The rest of our log requirement must come from Forest Service and BLM sales. Other sawmills in the Beaverhead National Forest also compete for Beaverhead timber sales.

When our Dillon mill was first constructed, the Beaverhead National Forest had an approved allowable cut of more than 90 million board feet. Various management proposals that developed through time reduced that level to something over 30 million board feet, then to about 25 million board feet and finally to a level of 17.3 million board feet annually. The resource is still available to harvest 90 million board feet annually.

One year ago our Dillon mill had about one and one-half years timber under contract. We now have one year under contract. Unless the Beaverhead timber sale program increases, by next year we will have less than six months timber under contract. At that point it may not be possible to maintain our Dillon operation. The Forest Service timber sale program must be funded at a higher level if our operation is to survive and the Congressional direction for community stability is to be followed.

Some relief is available to Dillon through the BLM timber sale program. There is a large block of BLM commercial forest land in the Dillon area that is included in the timber base under their approved resource management plan. While their timber sale program is small, it is critical to the timber supply for southwest Montana. The approved management plan sets the timber sale program at about 12.5 million board feet. This year's appropriations level is about seven million board feet. It is essential that the Montana BLM timber sale program be fully funded to help fill the raw material deficit in southwest Montana.

Last year the administration deleted the Montana BLM timber sale program from the appropriations request. The reason given was that the program was not cost effective. Your Committee approved that deletion. As you can see by the enclosed data the BLM timber sale program for Montana made money in FY 85 and FY 86. This program was extremely important for the sawmills that depend on the BLM for timber. It is especially critical to us.

If the United States is ever going to achieve the objectives of the Forest and Rangeland Renewable Resources Planning Act, timber harvest funding must be increased for the Forest Service. Because of it's critical importance to the survival of local sawmills, the Montana BLM timber sale program must be funded at the 12.5 million board foot level.

BLM TIMBER MANAGEMENT PROGRAM

MONTANA SUMMARRY

	FY 1983	FY 1984	FY 1985	FY 86	TOTAL
BUTTE DISTRICT					
GARNET RA					
BENEFITS	$145550	$271700	$225300	$322100	
AREA COSTS	$187100	$187400	$192200	$199800	
DO COSTS	$7300	$7100	$7500	$7600	
TOTAL (NET)	($48850)	$77200	$25600	$114700	$168650
DILLON RA					
BENEFITS	$100200	$2800	$88000	$33050	
AREA COSTS	$59200	$62200	$68200	$68400	
DO COSTS	$5200	$5500	$5700	$5800	
TOTAL (NET)	$35800	($64900)	$14100	($41150)	($56150)
HEADWATERS RA					
BENEFITS	$9450	$2600	$8300	$8300	
AREA COSTS	$15800	$14500	$19600	$14200	
DO COSTS	$5500	$5200	$5700	$5800	
TOTAL (NET)	($11850)	($17100)	($17000)	($11700)	($57650)
TOTAL BENEFITS	$255200	$277100	$321600	$363450	
TOTAL COSTS	$280100	$281900	$298900	$301600	
TOTAL (NET)	($24900)	($4800)	$22700	$61850	$54850

STATEMENT OF R.W. BEHAN, VICE PRESIDENT, AMERICAN FORESTRY ASSOCIATION

Thank you for this opportunity to comment on the Administration's FY 1988 budget for the National Forest System. Recently, AFA has established a new program called "The Friends of the National Forests." We appreciate the chance to express that friendship: it is intended to be solid, strong and thoughtful -- but not always uncritical.

The Administration's proposed budget is an affront to the intelligence of Congress, to sound resource conservation, to a proud and dedicated and professional land management agency, and to the "stockholders," the American people who use and enjoy the national forest system. It would continue a decline that has seen the Forest Service lose 36% of its National Forest System program since 1978, as shown on the graph in the Appendix. Worse yet, it would replace balanced, multiple-purpose management with an almost-total focus on logging and road construction.

I should note initially that AFA is by no means opposed to the timely harvest of timber resources or the construction of a prudent road system. But Congress has stated clearly, and we agree, that the national forest system is to be managed for a multiplicity of purposes. We object to the single mindedness of this budget.

A Blueprint for Logging and Road Construction

The proposed budget for the National Forest System is $1,016,417,000. If we fold in road construction funds, and then subtract general administration and management costs, we find there is $763,229,000 available for the various specific natural resource management programs. On page 155 the explanatory notes present a very candid picture of the timber management program, the total cost of which, including the PCP roads, amounts to $597,711,000. Of $763,229,000 available for all the renewable resource management programs, the Administration proposes to spend $597,711,000 exclusively for timber access roads and timber harvesting. That amounts to 78% of the total. I believe that also amounts to a blueprint for logging and road construction.

An Affront to the Congress

In violating the spirit, and in one case the letter, of several carefully crafted laws, the budget is an affront to the policies of Congress.

In the Resources Planning Act Congress called for rational, balanced, long term, and plan-based multi-resource management of the National Forest System, an eminently sensible approach. The Administration budget is almost antithetical: it amounts to the short-term, partial liquidation of a single resource, the inventory of commercial timber, and, to be charitable, a token recognition of the others. It bears no resemblance to the most recent Update of the Recommended Renewable Resources Program, nor to the "preferred alternatives" in the forest plans that are being completed. Thus it violates the spirit of RPA.

The 78%-timber predominance in this budget also mocks the Multiple Use Sustained Yield Act. That law prescribed a multi-resource output in "the combination that best meets the needs of the American people," and specifically denied "the combination of uses that will give the greatest dollar return."

It is evident this budget seeks to provide "the greatest dollar return," but the American Forestry Association is more concerned about the gross imbalance in resource program funding. We have highlighted repeatedly our concern for the deterioration of national forest recreation facilities and the associated management effort.

Dr. Perry Hagenstein, our immediate past president, testified on the economic folly of neglecting the recreation infrastructure. He found that continuing the deferred maintenance policy will incur an $800 million loss in the next 13 years.

The explanatory notes (p.167) proclaim the national forests provide 43% of the total recreational use on all the federal lands. Two pages further on, the Administration proposes a decrease in recreation funding of $54,637,000--to be replaced with a proposed new set of users' fees that Congress will be asked to earmark for program use. Earmarking recreation user fees would give the Forest Service a degree of incentive to encourage recreation use. We applaud that consequence, but the deferred maintenance problem is already acute. It cannot wait for the revenues from anticipated legislation. The nearly exclusive emphasis on timber production and the neglect of the recreation resource in this budget do not constitute "the combination that will best meet the needs of the American people." The Multiple Use Sustained Yield Act is observed in the breach.

Finally, for 80 years, the 44 states which contain National Forest lands have received 25% of the gross federal receipts from those lands, expressly, according to the Act of May 23, 1908, as payments in lieu of state and local taxes. This budget presumes Congress will legislate a 90% reduction in those payments, from nearly $274 million to $26 million by changing to a net-receipts basis. To presume the political viability of such a draconian, senseless, and inequitable scheme goes beyond an affront to Congress: it is an insult.

An Affront to Sound Resource Conservation

Section 4, subsection (d)(2) of the National Forest Management Act directs the Secretary of Agriculture to submit a reforestation budget "...so as to prevent the development of a backlog of needed work larger than the needed work at the beginning of the fiscal year." That is the essence of sound resource conservation. The Administration's budget candidly violates the statute. In explaining a $19,225,000 decrease in the reforestation budget the explanatory notes state, (p.162), "...This will result in a current needs level of 940,000 acres at the end of FY 1988 compared to a projected 878,000 acres at the end of FY 1987. The backlog, by design, will grow. We believe that to be illegal.

An Affront to a Professional Land Management Agency

The U.S. Forest Service is an agency with an unmatched record of proud and dedicated service. The tradition of conservation and multi-resource management is strong, but this budget transforms the organization into a pork-barrelling construction agency, a rustic counterpart of the Corps of Engineers.

The Forest Service has been criticized in recent years about a "timber fixation," or a "sawlog mentality." Perhaps the Forest Service is not the villain. More likely it is the victim of a series of budgets designed by political leaders that exhibit a "receipts mentality." The men and women of the Forest Service deserve better than that; they deserve a budget that accommodates their statutory multi-resource mandate, and one that accommodates their professionalism, their idealism, and their multi-resource competence.

An Affront to the Stockholders

The American Forestry Association applauds the hard work and industry of the thousands of American people who earn their living harvesting and milling national forest timber. But millions of American taxpayers (many of the same ones) enjoy the National Forest System for recreational purposes, and they are being severely mistreated. There are horror stories nationwide.

A water body 18 miles long in the Sonoran desert, Lake Roosevelt in Arizona, is completely surrounded by the Tonto National Forest. Nearby is Phoenix, where more than two million people find water-oriented recreation opportunities in desperately short supply. The direct route to Lake Roosevelt includes a tortuous, 22-mile segment of dirt road. On the entire lake there is not a single developed campground, and only three boat-launching ramps. The stockholders deserve better than that; and stories like this can be told in every national forest.

AFA Recommendations

We would prefer to see major increases in the Administration's FY 1988 budget, but that is neither likely nor responsible in an age of ballooning deficits. With one small exception, we propose only a reallocation of the Administration's budget within the existing categories.

The exception is the $19,225,000 cut in the reforestation program. That simply must be restored.

We believe the proposed timber sales program of 11.1 billion board feet can be achieved, and the needs for recreation facilities and management can be met, within the proposed aggregate budget for the National Forest System. The key to doing so, we believe, lies in a change in the "advanced roading" policy. "Advanced roading," or what the Forest Service also calls "accelerated roading," or "maximum initial development," is the practice of building the initial road into a typical undeveloped drainage all the way to the end of the drainage, and to begin harvesting there. (See Jackson, 1986.)

High costs are incurred early in the process--these are usually "FRP" arterial roads built with appropriated funds. Access is then in place, however, for many subsequent timber sales and other management activities in the future, and the policy has been pursued for many years. This may represent a good investment when you can afford it, but not in a time when federal deficits, below-cost timber sales, and protection of roadless areas dominate the forest policy agenda.

AFA believes the time is at hand to begin taking advantage of this enormous sunk cost. We can stop building "advanced roads" for now and exploit the accumulated development of the existing ones. We believe the proposed 11.1 billion board feet sales program can be accommodated with the existing network of "advanced" FRP roads, if the budgeted network of "PCP" roads is constructed.

Consequently, we suggest the reallocation of "FRP" road construction funds to the design, construction, and maintenance of recreation facilities and recreation roads in FY 1988. These are the appropriated funds listed on p. 233, as follows:

preconstruction engineering:	$13,610,000
construction engineering:	6,927,000
construction:	25,030,000
total	$45,567,000

We believe this is a modest and responsible request; one that would move the management of the National Forest System only slightly in the direction of balanced multi-resource management.

But we need also to look at some longer range problems with National Forest budgeting and management. We believe the Congress should hold oversight hearings on program priorities, and seek to reestablish the "combination that will best meet the needs of the American people." We think the Forest Service budget should include a long-range capital investment budget. That might alleviate much of the current controversy over the Forest Service road budget.

Finally, we need to pursue some ways of bringing the national forest planning process and the budget process closer together. There are dangers in relying exclusively on either one, and we are facing such dangers with the current Administration budget. With over half of the forest plans in the final stages, it is time to look to the Forest Service budget in terms of its ability to carry out those plans.

Mr. Chairman, we are not happy with the Administration's FY 1988 budget for the National Forest System. We believe our suggestions to improve it are slight, marginal, and workable. But more importantly, they are indicative of the directions in which we think the agency's budget must be moved in the years to come: toward a more balanced, plan-based and appropriate program of true multi-resource management. That is what the Congress has specified in law, that is what we in the American Forestry Association want, and that is what the American people deserve.

The American Forestry Association, and our "Friends of the National Forests" program, stand ready to assist in any way we can. Thank you again for the opportunity to present our views.

References:

1. Behan, R.W., 1987. Draft statement to the Interior Subcommittee of the House Appropriations Committee, February 26, 1987. (Contained in this draft are the calculations and explanations of various budget totals reported herein. Copies are available from the author; School of Forestry, Northern Arizona University, Flagstaff, Arizona, 86011.)

2. Statement of Perry R. Hagenstein, President, American Forestry Association, to the House Committee on Agriculture, Subcommittee on Forests, Family Farms, and Energy. August 13, 1986.

3. Jackson, David H., 1986. Below-Cost Sales: Causes and Solutions, Western Wildlands, Vol. 12, No. One, Spring, 1986.

Table 2--Comparison of NFS Benefits and Costs
(Million 1982 Dollars)

High Bound

	1986	1987	1988	1989	1990	2000	2010	2020	2030
Direct Receipts									
Minerals	137	149	180	200	220	450	408	366	325
Range	13	13	13	13	13	17	17	18	19
Recreation	30	46	46	48	49	88	104	120	136
Timber	1,132	1,059	1,313	1,474	1,603	1,691	1,979	2,347	2,945
Subtotal	1,312	1,267	1,552	1,735	1,885	2,246	2,508	2,851	3,425
Consumers' Benefits 1/									
Water	81	84	90	95	98	116	124	133	141
Minerals	425	438	502	530	557	799	888	976	1,062
Range	47	48	48	48	48	51	58	64	71
Recreation	1,363	1,364	1,459	1,568	1,677	2,907	3,521	4,135	4,749
Wilderness	86	88	127	138	149	227	287	347	409
Timber	2	2	2	2	2	2	2	2	2
Wildlife/Fish	400	413	461	482	507	711	829	949	1,065
Subtotal	2,404	2,437	2,688	2,863	3,038	4,813	5,709	6,606	7,499
Total Benefits 2/	3,716	3,704	4,240	4,598	4,923	7,059	8,217	9,457	10,924
Costs	1,352	1,211	1,697	1,762	1,827	2,154	2,228	2,319	2,420

Low Bound

	1986	1987	1988	1989	1990	2000	2010	2020	2030
Direct Receipts									
Minerals	137	149	155	161	166	427	387	347	308
Range	13	13	13	13	13	14	14	14	14
Recreation	30	46	46	48	49	70	84	98	110
Timber	1,132	1,059	1,313	1,401	1,472	1,425	1,782	2,139	2,496
Subtotal	1,312	1,267	1,527	1,623	1,700	1,936	2,267	2,598	2,928
Consumers' Benefits 1/									
Water	81	84	79	80	80	96	106	116	126
Minerals	425	438	482	500	518	645	745	845	944
Range	47	48	48	48	49	52	57	63	68
Recreation	1,363	1,364	1,362	1,336	1,310	1,893	2,462	3,031	3,600
Wilderness	86	88	85	94	104	141	169	196	224

Table 2--Comparison of NFS Benefits and Costs
(Million 1982 Dollars)

Low Bound

	1986	1987	1988	1989	1990	2000	2010	2020	2030
Consumers' Benefits 1/									
Timber	2	2	2	2	2	2	2	2	2
Wildlife/Fish	400	413	410	393	377	458	543	627	713
Subtotal	2,404	2,437	2,468	2,453	2,440	3,287	4,084	4,880	5,677
Total Benefits 2/	3,716	3,704	3,995	4,076	4,140	5,223	6,351	7,478	8,605
Costs	1,352	1,211	1,211	1,211	1,211	1,939	2,139	2,223	2,282

1/ Shows the value of goods and services from NFS lands that are provided without charge to the user. They substantially exceed the direct receipts to the U.S. Treasury.

2/ Includes values for all resource outputs; the sum of direct receipts and consumers' benefit.

NFS COSTS

The NFS costs (appropriated dollars) at the High Bound, rise from $1,352 million in 1986 (1986 actual budget in 1982 dollars) to $1,827 million by 1990 and $2,420 million in 2030. This means program costs grow at an 7.8-percent annual rate from 1986-1990, a 1.7-percent rate from 1990-2000, and a .4-percent rate from 2000-2030.

At the Low Bound, NFS costs fall from $1,352 million in 1986 to $1,211 million in 1987 and remain at a constant level through 1990, and then rise to $2,282 million in 2030. This means program costs fall 10 percent from 1986 to 1987, remain constant through 1990, rise at an annual rate of 4.8 percent from 1990-2000, and a .5-percent rate from 2000-2030.

The NFS workforce required to implement the High Bound increases from 34,114 in 1986 to 46,890 by 1990, 56,826 by 2000, and 60,695 by 2030. The Low Bound workforce requirements would decrease from 34,114 in 1986 to 31,183 by 1990, then increase to 51,446 by 2000, and 59,024 by 2030.

Table 3 shows NFS costs for the High Bound and Low Bound by major resource area. Users of these figures should keep in mind that expenditures in most resource areas provide multiresource benefits.

Table 3--National Forest System Costs 1/
(Million 1982 Dollars)

High Bound

Indicator	1986	1987	1988	1989	1990	2000	2010	2020	2030
Water	4	5	5	6	7	13	14	15	16
Minerals	27	24	24	33	36	44	46	48	50
Range	27	27	33	36	40	49	51	52	54
Recreation	101	90	155	166	174	218	235	252	272
Wilderness	9	10	13	14	17	26	28	30	30
Timber 2/	679	583	841	876	910	1,010	1,058	1,105	1,153
Wildlife/Fish	23	22	47	49	51	79	65	70	76
Protection & Support 3/	482	450	579	582	592	715	731	747	769
Total NFS	1,352	1,211	1,697	1,762	1,827	2,154	2,228	2,319	2,420

Low Bound

Indicator	1986	1987	1988	1989	1990	2000	2010	2020	2030
Water	4	5	5	5	5	11	12	14	15
Minerals	27	24	24	24	24	43	44	46	48
Range	27	27	27	27	27	43	46	48	51
Recreation	101	90	90	90	90	159	223	242	252
Wilderness	9	10	10	10	10	22	24	26	27
Timber 2/	679	583	583	583	583	882	997	1,038	1,051
Wildlife/Fish	23	22	22	22	22	73	60	65	69
Protection & Support 3/	482	450	450	450	450	706	733	744	767
Total NFS	1,352	1,211	1,211	1,211	1,211	1,939	2,139	2,223	2,282

1/ Excludes Land and Water Conservation Fund (LWCF), other funded human resource programs, and KV.

2/ Includes Timber Purchaser Road funds (credit and elect).

3/ Includes air, soil, and water support; FS-funded human resource programs; land management and ownership; facilities and roads; fire and fuel; and general administration.

INVESTMENT OPPORTUNITIES ON THE NATIONAL FOREST SYSTEM
Source: Tables 2 and 3, RPA Program, July 30, 1985

CATEGORY	YEAR	TOTAL BENEFITS HIGH	LOW	DIFF.	DISC.	TOTAL COSTS HIGH	LOW	DIFF.	DISC.	C/B RATIO
		(Million 1982 Dollars)				(Million 1982 Dollars)				
	1990	1726	1359	367	367	174	90	84	84	4.37
	2000	2995	1963	1032	715	218	159	59	41	17.49
RECREATION	2010	3625	2546	1079	497	235	223	12	6	89.92
	2020	4255	3129	1126	345	252	242	10	3	112.60
	2030	4885	3710	1175	239	272	252	20	4	58.75
	TOTAL	17486	12707	4779	2162	1151	966	185	138	15.72

CATEGORY	YEAR	TOTAL BENEFITS HIGH	LOW	DIFF.	DISC.	TOTAL COSTS HIGH	LOW	DIFF.	DISC.	C/B RATIO
		(Million 1982 Dollars)				(Million 1982 Dollars)				
	1990	149	104	45	45	17	10	7	7	6.43
	2000	227	141	86	60	26	22	4	3	21.50
WILDERNESS	2010	287	169	118	54	28	24	4	2	29.50
	2020	347	196	151	46	30	26	4	1	37.75
	2030	409	224	185	38	30	27	3	1	61.67
	TOTAL	1419	834	585	243	131	109	22	13	18.05

CATEGORY	YEAR	TOTAL BENEFITS HIGH	LOW	DIFF.	DISC.	TOTAL COSTS HIGH	LOW	DIFF.	DISC.	C/B RATIO
		(Million 1982 Dollars)				(Million 1982 Dollars)				
	1990	507	377	130	130	51	22	29	29	4.48
	2000	711	458	253	175	79	73	6	4	42.17
WILDLIFE/	2010	829	543	286	132	65	60	5	2	57.20
FISH	2020	949	627	322	99	70	65	5	2	64.40
	2030	1065	713	352	72	76	67	7	1	50.29
	TOTAL	4061	2718	1343	607	341	289	52	38	15.89

CATEGORY	YEAR	TOTAL BENEFITS HIGH	LOW	DIFF.	DISC.	TOTAL COSTS HIGH	LOW	DIFF.	DISC.	C/B RATIO
		(Million 1982 Dollars)				(Million 1982 Dollars)				
	1990	4923	4140	783	783	1827	1211	616	616	1.27
	2000	7059	5223	1836	1271	2154	1939	215	149	8.54
TOTAL NFS	2010	8217	6351	1866	859	2228	2139	89	41	20.97
	2020	9457	7479	1979	606	2319	2223	96	29	20.61
	2030	10924	8605	2319	472	2420	2282	138	28	16.80
	TOTAL	40580	31797	8783	3991	10948	9794	1154	863	4.62

Statement of R. Neil Sampson, Executive Vice President, American Forestry Association

As Executive Vice President of the American Forestry Association, the national citizens organization for trees, forests, and forestry, I appreciate the opportunity to testify on the President's budget recommendations for FY 1988. My testimony will deal primarily with the proposed Forest Service budget for State and Private Forestry (S&PF) and Forest Research.

Between 1978 and 1986, agency funding for both Forest Research and S&PF -- as measured in constant dollars -- suffered a steady and damaging decline. During that time, Forest Research capacity shrunk by 17% in real dollar terms, while State and Private Forestry capacity was reduced by 55%. (The charts attached to our testimony reflect this trend, and we request that they be made part of the written record of this hearing.) Last year, for the first time in 8 years, Congress was able to arrest this erosion of agency capacity -- and actually allowed for some much needed, albeit modest, expansion of the Forest Research effort. This action demonstrated that Congress understands what the President clearly does not, that the Forest Service's Forest Research and State and Private Forestry efforts have already taken more than their share of budget cuts. This subcommittee deserves credit for withstanding this budget assault, Mr. Chairman, and we urge you to continue this "steady state" funding trend for FY 1988.

FOREST RESEARCH: AFA RECOMMENDS THAT THE PURCHASING POWER OF THE 1987 FOREST RESEARCH BUDGET BE PROTECTED AND CONTINUED. THIS WILL REQUIRE A TOTAL BUDGET OF $135.9 MILLION. WE ALSO SUPPORT EXPANSION OF THE COMPETITIVE GRANTS PROGRAM TO $8 MILLION, BECAUSE WE ARE CONVINCED THAT THE ECONOMIC AND ENVIRONMENTAL BENEFITS TO THE NATION OF SUCH AN EXPANSION WOULD GREATLY EXCEED THE COST.

The Forest Research budget provides an enlightening example of how apparently stable funding, when combined with increased personnel and other fixed costs, can lead to a reduction with the agency's actual work output. The President's Forest Research request of $122 million is only about 1% less than the FY 1987 appropriation, but this proposed level is actually over $13 million less than the cost of continuing the current research program - a reflection of the increased "cost of doing business." Inflation, salary increases, and changes in the federal retirement plan account for most of the funding shortfall.

The mission of the Forest Research program is "to develop knowledge and technology that increases economic growth and environmental capabilities on all of America's forest and range lands." Yet the current Administration has failed to support the strong, integrated, and multi-disciplinary research programs necessary to meet this challenging mandate. As the 1985 RPA Update notes, "The management program planned for the National Forest System depends in part on a continuing flow of new technology from Forest Service research. The ability to meet planned output levels is directly related to early investments in research." But, while the President seeks to impose a National Forest management strategy that emphasizes outputs, he ignores the importance of maintaining the strong research effort necessary to protect the health and productivity of our National Forest System.

Between 1978 and 1988, if the Administration's budget were to be adopted, the real purchasing power of the Forest Service Research budget would decline by 22.2%. One example of this impact: total scientist-years in the Southern states -- America's "Wood Basket" -- declined by 28% between 1980 and 1985.

Fortunately, Congress has consistently disagreed with the Administration's shortsighted priorities, adding both dollars and programs. Many of these important Congressionally-supported restorations and initiatives are once again threatened by the 1988 budget proposals, including:

Air pollution: AFA supports an active emphasis on Forest/Atmospheric Interactions as a research initiative for 1988. The National Atmospheric Precipitation Program (NAPAP) expires in 1989, and it is important that groundwork be put in place to continue this important forest health research. In spite of his apparent emphasis on this research, however, the President proposes reduced funding for the atmospheric deposition-related national vegetation survey and termination of projects designed to determine the impact of atmospheric deposition on watersheds. Because of the serious threat that air pollution poses to forest health, the newly formed AFA Forest Health Task Force is focusing much of its intitial efforts on pollution research and controls. We recommend the restoration of the air pollution research effort to current levels.

Insect and Disease Research: While incredible damage is being done by the gypsy moth, mountain pine beetle, spruce budworm, and other forest pests, the budget proposes a reduction of effort of almost 8%. We need to know how to manage forests so as to prevent unusual and unmanageable outbreaks of pests, and we need answers that do not create new environmental or health hazards in the process. This is absolutely vital to the future of America's forests, and research is the answer.

Forest Inventory: In recent years, Congress has provided funds to hasten the cycle of forest inventory so that important data on forest conditions is more available and dependable -- yet the proposed 1988 budget would once again deter this vital process.

Wildlife: Timber harvests and wildlife habitat management are often depicted as "trade-offs" -- mutually exclusive activities. Perceived forest management trade-offs involving the production of high value timber in areas of special importance to particular wildlife species — old growth and spotted owls in the Pacific Northwest, for example -- have sparked emotional confrontations in many parts of the country. While it is true that some timber management operations may preclude the use of an area by certain types of wildlife for a period of time, forest management activities can also benefit both timber production and wildlife populations. Careful research is necessary to understand the actual relationship between timber and wildlife management. The President's budget -- which ironically labels the study of wildlife and fish/timber management interactions a priority item — would compromise important wildlife research on topics including Sitka deer and old growth in southeastern Alaska, northern spotted owl, and southern pine forest wildlife habitat.

Recreation: In 1985, the National Forests provided 225 million recreation visitor days (RVDs) of use — 42% of the RVDs provided on all federal lands, and more than any other federal agency. A continued research effort is needed to develop better ways to reduce resource conflicts, lower recreation program costs, and protect resources while supporting the ever-increasing demand for forest recreation.

Competitive Grants: Initiated by Congress in FY 1985, the Competitive Grants program has attracted highly qualified scientists to compete for grants in two basic research areas: utilization of forest products and forest biology. A total of 428 proposals, requesting a total of $81 million, were received in competition for the $6.2 million available for grants in FY 1986. That suggests an excellent opportunity to fund only the best research, and demonstrates the wisdom of this program. Congress should fund it at the $8 million level.

Other FY 1988 Special Research Initiatives for the Future: Major changes are underway in southern forests, and if current trends continue, a declining timber inventory and rising prices will cut deeply into the region's No. 1 industry. Continued research emphasis on Southern Forest Productivity will provide crucial information to help meet these challenging developments.

STATE AND PRIVATE FORESTRY: WE RECOMMEND THAT THE PURCHASING POWER OF THE 1987 BUDGET BE RETAINED, AND THAT A NATIONAL MARKETING INITIATIVE BE FUNDED. THIS WILL REQUIRE A BUDGET OF $60.7 MILLION FOR THE ONGOING S&PF PROGRAM, WHICH WOULD COMPARE WITH THE LOW BOUND RPA TARGET OF $27 MILLION AND THE HIGH BOUND TARGET OF $87 MILLION. IN ADDITION, WE SUPPORT THE FUNDING OF THE NATIONAL MARKETING INITIATIVE AT THE LEVEL OF $5 MILLION.

Fifty-eight percent of the nation's commercial forestland is in private nonindustrial ownership. These private forestlands are not only an important source of timber, they also contain valuable water resources, fish and wildlife habitat, range and recreational opportunities. Their protection and management can impact the health and productivity of neighboring public land resources: as fire, insects, and disease do not respect state or private property lines. State and Private Forestry's Cooperative Forestry programs have played an important role in connecting the woodlands of the country — a role that AFA urges the Subcommittee to continue in FY 1988.

Forest Management and Utilization: These programs have proven to be an effective way to exchange information, track trends, and supply training to the states and the private sector. Working through State forestry agencies, the Forest Service Forest Resource Management program provides technical assistance to private landowners. This assistance encourages the reforestation of harvested areas, increases economic returns to landowners, and protects soil and water resource values during forest management operations. The Seedlings, Nursery and Tree

Improvement program produces high quality genetically improved tree seed and planting stock. The Administration seeks to terminate both of these efforts.

Forest Pest Management: The insect and disease surveys that are part of the cooperative federal-state effort are not done anywhere else, and must clearly be coordinated by the federal government to be cost-effective. The federal government also has an important role to play in the cooperative suppression of forest insects and diseases on non-federal lands, a role that the Forest Service would be forced to abandon under the proposed budget.

Fire Protection: The federal involvement in cooperative fire protection is a small investment that yields significant returns in our nation's ability to control wild fires. The Forest Service helps coordinate a decentralized fire effort including the efficient mobilization, training, and deployment of state and federal fire fighting personnel. Although the President is proposing to eliminate financial assistance to support state efforts, the budget documents nevertheless report that "state forces will be relied upon to support Forest Service operations during periods of high fire activity."

The President's budget would destroy these important cooperative forestry relationships -- by reducing S&PF by $25 million below the 1988 base level — and it is therefore left to Congress to restore the agency's budget to a functional level. In determining this level, it will be necessary to address several important challenges facing S&PF programs:

1) The Conservation Reserve Program: The 1985 Farm Bill established a Conservation Reserve Program that may convert as many as 5 million eroding cropland acres to trees. A strong federal and state cooperative forestry effort will be necessary to provide the seedlings, technical advice, and coordination to achieve this goal.

2) The recently released study, "The South's Fourth Forest: Alternatives for the Future," indicates that net annual growth of southern softwood and hardwood timber has leveled-off or started to decline, and suggests that the major opportunity to increase timber supplies lies with nonindustrial private forestland owners. Effectively reaching out to these landowners will require the continued partnership of the Forest Service and state forestry agencies.

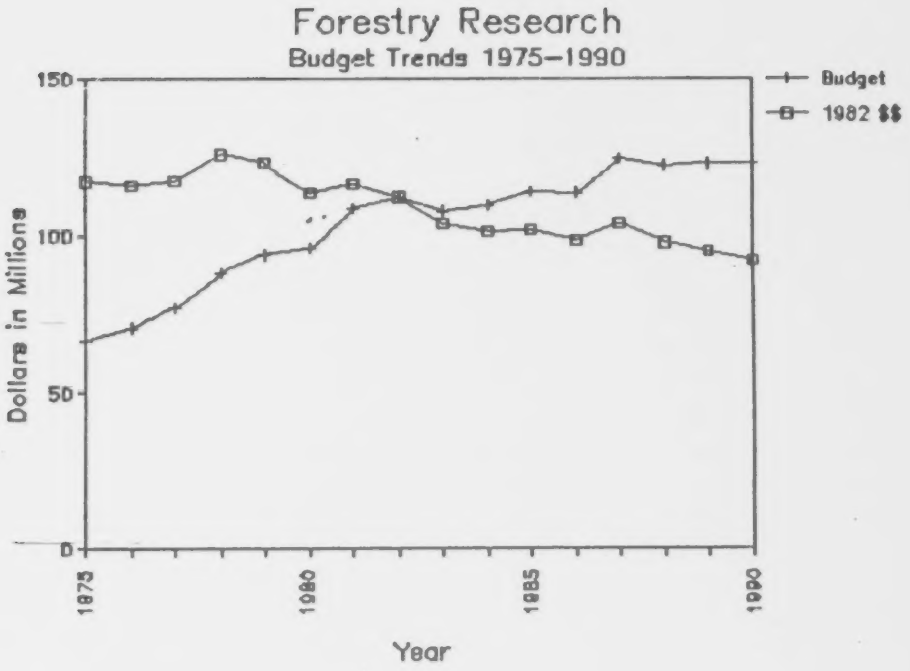
3) The current timber trade deficit of $5.7 billion speaks to the need for federal and state agencies to cooperate to improve trade opportunities and expand range of markets for forest products to improve overall national economic conditions. AFA endorses the National Marketing Initiative as developed by the Forest Service and National Association of State Foresters.

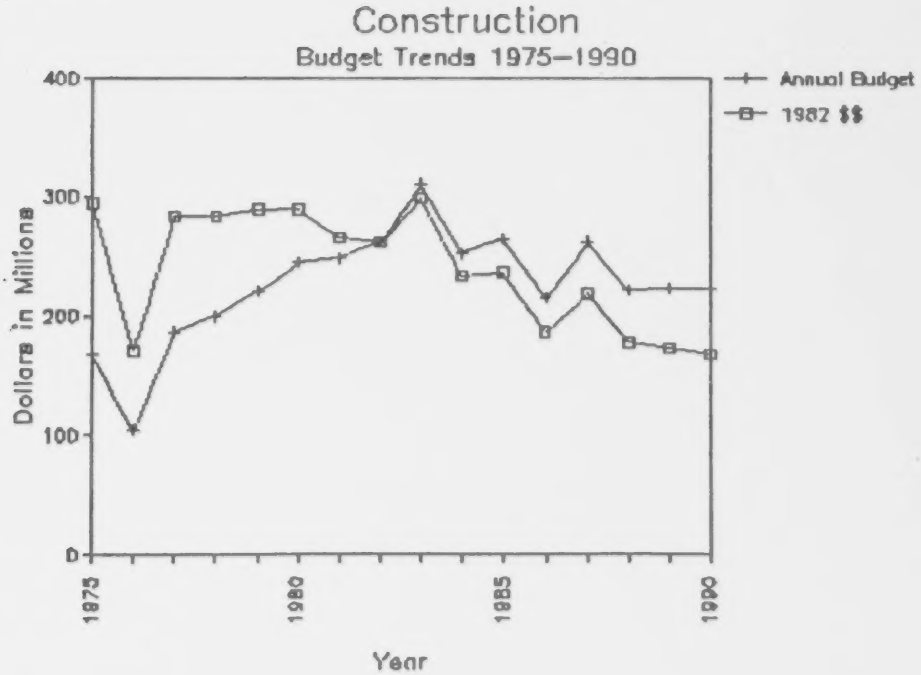
4) The 1986 drought in the Southern states is putting intense pressure on the supply of seedlings and will require a strong Forest Management and Utilization program effort to meet the demand for replanting.

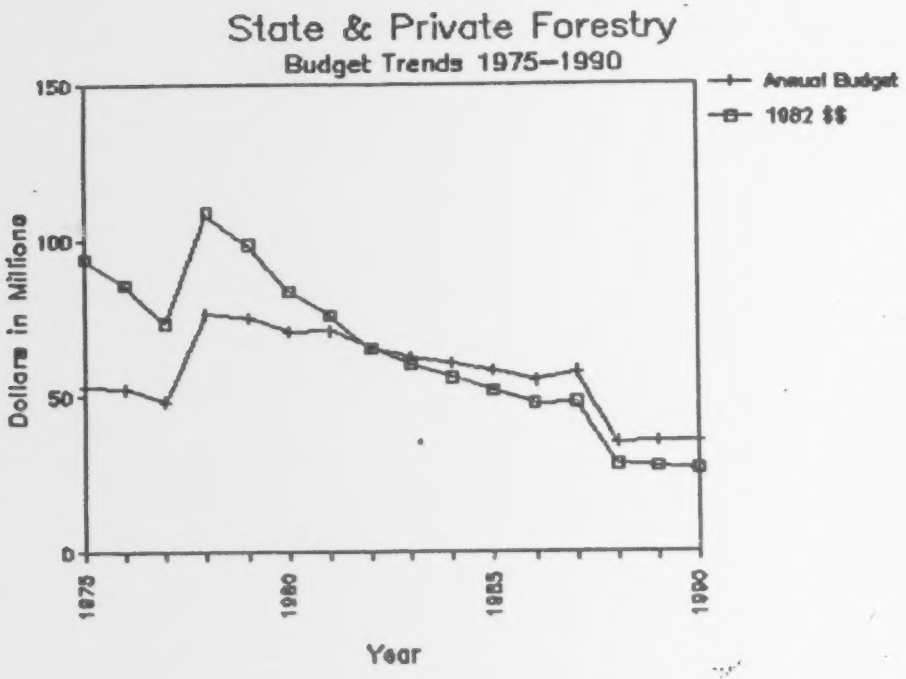
5) Congress recently passed a Clean Water Act with major new attention to non-point source pollution prevention. Additional Forest Service help is clearly required to address the information and technical needs of forest landowners and managers.

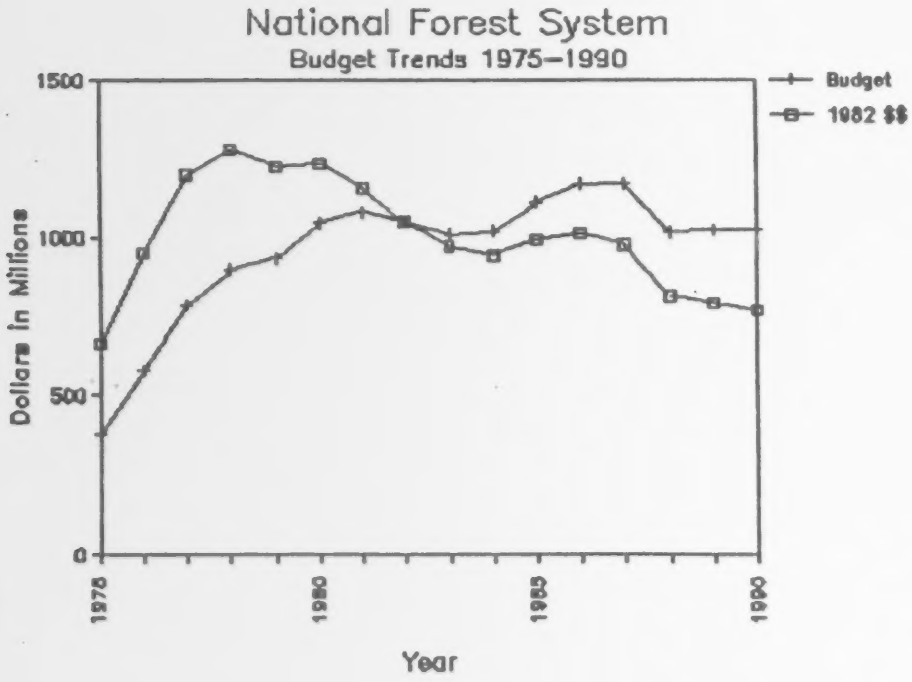
We thank you for the opportunity to bring our views to your attention.

Appendix A


Forestry Research
Budget Trends 1975–1990
Budget
1982 $$
150
100
50
0
Dollars in Millions
1975
1980
1985
1990
Year


Construction
Budget Trends 1975–1990
Annual Budget
1982 $$
400
300
200
100
0
Dollars in Millions
1975
1980
1985
1990
Year





Source: 1988 Administration Budget Documents

Statement of Dr. Bettye Collier-Thomas, Executive Director, Bethune Council House National Historic Site

INTRODUCTION

With the passage of Public Law 99-187, in 1985 Congress reinforced its commitment to the preservation and interpretation of the Mary McLeod Bethune Council House National Historic Site. Since that time utilizing the combination of federal and private sector support the historic site has been successful at pursuing the mandate defined in the original legislation, the preservation and interpretation of the historic site and the legacy of Mary McLeod Bethune. This goal has been maintained by means of the institution's ambitious programmatic offerings. These include changing exhibitions, lecture and concert series, local and national out-reach, research and reference services, guided tours and educational publications. Through these services the historic site has reached Americans from all over the United States and has attracted the interest of visitors from abroad. Acclaim for the institution's programs and services continues to be expressed in local and national media.

It is only through the combination of federal and private sector support that this much-need work was possible. The $99,000 received by the site during FY 1986 was critical to maintaining on-going interpretive services, and to the maintenance of the historic fabric of the site. During that period the institution received $126,000 from private sources. This included corporate and foundation contributions, sales, memberships and individual gifts demonstrating the considerable public interest in this site.

For FY 1987-88 the institution has received direct funding through the Department of the Interior in the amount of $99,000.00. As provided by the 1985 legislation the institution is also eligible to receive matching funds up to $300,000 during the period 1987-1989. These matching funds comprise an important part of the institution's strategy for growth and survival. They will be utilized to provide for important restoration and interpretive needs.

Today, the institution is confronted by very serious concerns related to its physical structure as well as important concerns regarding the interpretation of the life and legacy of Mary McLeod Bethune. Over $250,000 in private funds were invested in the restoration and renovation of the historic site during 1980-81, making it one of the most beautiful of the nation's national historic

properties. With the passage of time this investment has eroded and critical work must be undertaken to protect the site within the coming year. This work includes, repair of the site's facade, front walk and entry, roof and interior as well as up-grading environmental controls to assure the preservation of historic documents. The demands of cyclical maintenance and the unique historic importance of an editing and microfilming project to make available the administrative records of Mary McLeod Bethune will be addressed by means of a combination of funding from private sources and federal sources. The availability of the designated federal matching funds along with the funds appropriated for operations and interpretation is crucial to meeting the mandate of the original legislation and the intent of the 1985 legislation.

Through appropriation of these federal funds, Congress assures the institution's ability to attract a broad spectrum of private support to meet these needs. The powerful stimulating effect of demonstrable federal support upon potential private sector supporters cannot be overemphasized. The Board of Directors of the Bethune Museum-Archives along with interested citizens from across the United States join me in urging the members of the Senate Appropriations Subcommittee on the Interior to assure the appropriation of $110,000, in direct funds and $300,000 in matching funds to the Bethune Council House National Historic Site during FY 1987-88.

FY 1986 INSTITUTIONAL AND PROGRAMMATIC SUMMARY

During the period, October 1, 1985 to September 31, 1986, the Bethune Museum-Archives National Historic Site maintained the same high level of interpretive programs and services for which the site has gained national recognition. This was done in spite of continuing congressional budget delays and the unavailability of appropriated National Park Services funding until mid-January. Recognition of the vital importance of the institution to the national community has been amply demonstrated by corporate, private sector and individual support.

DESCRIPTION OF PROGRAMS AND SERVICES

The Bethune Council House National Historic Site is the only institution in the United States primarily devoted to the documentation and interpretation of the role of black women in American history. While the historic site was

designated in commemoration of the life and contributions of celebrated political leader and educator Mary McLeod Bethune, at her specific direction, the institution is not a house museum simply focused on the documentation of her life, but instead is an active and dynamic center which seeks through its diverse programmatic offerings and collections to preserve and interpret material evidence of the role of black women throughout America's history. Unlike typical house museums, the Bethune Council House National Historic Site offers its visitors a variety of programs including changing exhibitions, lecture and concert series, research and reference services, guided tours, and educational publications. The institution's services benefit a diverse audience including visitors of all races and economic backgrounds. In addition to a broad general audience consisting of public school students, public school teachers, college students, pre-school youth, artists, geneaologists, community-based organizations and history buffs the institution's extensive collection of original historic documents and photographs attract researchers and scholars from throughout the United States interested in general American history, Afro-American history, women's history and Afro-American women's history.

The institution is able to offer such a variety of effective programs and services due to the high quality of professional staff and the on-going support of volunteers. This combination of professional acumen, volunteer support and the public/private sector partnership has assured the quality and variety of the institution's programs.

PROGRAMS

Exhibitions

The past year has been significant to the institutional development of the Museum and Archives. During this period the institution stimulated the interest of new audiences, increased its volunteer support and community out-reach, and developed provocative programming focused on contemporary issues. Through exhibitions, lecture and concert series, the institution continued to offer its constituents new concepts, information and opportunities to enjoy the best in regional performances by minority and Third World artists. The exhibits, "Madame C. J. Walker and Annie M. Pope-Malone: Pioneers of Black Beauty Culture," and "Mary McLeod Bethune, 1875-1955," available until June 1986, offered visitors new insights into the presence of black women in American history.

On June 22, 1986 the Museum-Archives opened a major new exhibition which

documented the role of black women in the visual arts in Washington, D.C. The exhibition, "Black Women Visual Artists in Washington, D.C." is the first to include work by black women in all mediums and the most comprehensive exhibit of black women's art to focus on the work of women artists working in the District of Columbia. Attended by over 400 persons, the exhibition's opening was a most notable success. Since its opening the exhibition has been viewed by 2,000 or more persons. The exhibition announcement and catalog, featuring Elizabeth Catlett's sculpted work on the cover, have become collector's items.

The significance of this exhibition lies not only in the beauty of the art presented, but also in its recognition of the long tradition of black women working in the visual arts as educators and fine artists which is so unique to Washington, D.C. The exhibit includes paintings, sculpture, photography, ceramics and installation art. Two important characteristics of this exhibit are the prominence given to the remarkable professionalism and diversity to be found in the city's black women artists and the awareness it engenders of the presence of nationally known artists working in the nation's capital.

"Black Women Visual Artists in Washington, D.C." has generated wide spread interest. Press coverage and professional recognition have included articles or reviews in the Washington Post, Afro-American, Museum Washington, Capitol Spot Light, and radio discussions on WPFW and other radio stations. Also, public interest has stimulated a growing number of tours and increased individual visitation. The cooperation of institutional leaders such as the Howard University Gallery of Art and the National Museum of American Art, as well as several individual lenders also demonstrated the high level of commitment and support for the Bethune Museum-Archives, generated by this project. In conjunction with the exhibition, the Museum-Archives sponsored a symposium, "Black Women in the Visual Arts." Artists participating as panelists included Malkia Roberts, Georgette Powell, Texiera Nash, Martha Jackson-Jarvis, Yvonne Pickering-Carter, and Sharon Farmer. A large and responsive audience participated in this historic event.

Lecture Series

A major focus of the Bethune Lecture Series this year has been contemporary issues. Lectures and symposia were offered exploring such timely topics as the black family, U.S./African relations, Afro-American beauty culture, blacks in American film, feminine images in African art, and the impact of the controversial film, "The Color Purple." Presenters included experts in the field of history, sociology, journalism and film criticism. Among these were

Jacqueline Trescott, Dr. Bettye Collier-Thomas, Dr. Herschelle Challenor, Dr. June Dobbs Butts, Dr. Frances Welsing, Calvin Forbes, Dr. Andrew Billingsley, Dr. Harriet McAdoo, and Dr. Anthony Gittens. Lectures examining special topics related to art and music included discussions of "Feminine Images in Traditional African Art," by Roslyn Walker, and "The Role of Black Women in Serious Music," by Calvin LeCompte.

Other stimulating programs included a reading by Marita Golden, the acclaimed author of the recently published "A Woman's Place," and an unusual special performance program of "No Place for a Soft Black Woman," by Kweli Smith. This powerful one-woman show examined the individual and social experiences of black women in America.

The Bethune Lecture Series introduced our audiences to a broad spectrum of topics which were presented by scholars and practitioners who contributed their expertise to our mission. Each lecture brought new audiences to the Museum-Archives. As a result of two highly provocative panel discussions, "A Second Look at the Color Purple," and "The Vanishing Family: Crisis in Black America," the audience challenged BMA to continue the dialogue on related topics by creating programs that could promote change.

Concert Series

The Bethune Concert Series initiated its second highly successful year. Featured performers drew critical acclaim, as well as introduced new audiences to the institution. Performers included male and female artists of Afro-American and Euro-American backgrounds, all of whom fit within a minority category. Many of the performers were nationally and internationlly renowned artists. The concerts by Valerie Eichelberger and Virgina Lum were listed in the "Critics Choice" column of the Washington Post. On May 18, after Ms. Lum performed her concert at the Museum-Archives, she left to present the same concert at the Phillips Gallery.

The Bethune Concert Series programs were all extremely well attended, often filling the concert area to overflowing. A variety of performers were presented, including a chamber trio, two pianists, and a noted vocalist. Audiences were delighted by the music of the Amore Trio, Marymal Holmes, soprano; Victoria Payton, harpist; Percy Gregory, pianist; and Annette Poulard, soprano.

Out-Reach

The Museum-Archives has made further advances toward it's goal of stimulating increased local and national participation in the institution's programs. Advances have been made in the institution's out-reach to area schools and organizations and in the involvement of a growing number of volunteers and supporters in the institution's activities. Out-reach to area schools has been through the gradual activation of the institution's Adopt-a-School Program. The introductory phase of this program was initiated with the Seaton Elementary School, located near the Museum-Archives. as a part of this program, the Museum Educator visited the Seaton School and presented based on various historic themes. Groups of students were then brought to the site to tour and for specially developed self-esteem workshops. The extremely positive response to this program suggests the institution should seek private sectosr funds to support this much needed service.

The number of persons visiting the institution has continued to grow. A marked increase in guided tours has also been noted. A growing number of tours have been requested by out-of-town groups, public schools and organizations. A sample of tours includes the African American Women's Association, Vacation Bible School of Mount Olivet Lutneran Churcn, Fusana Day Camp, D.C. Teaching Center, Trenton State College, Washington Christian School, Anchor Mental Health Association, NCNW Baltimore Section, and Strayer College.

The institution has made considerable strides toward expanding its volunteer support base. During the past year several organizations made their resources available to support the Museum-Archives programs. The Friends of the Bethune Concert Committee, the Langston Hughes and Eleanor Roosevelt Club and the Women of St. Luke's Episcopal Church have sponsored performances in the Bethune Concert Series, providing hostesses and offering refreshments. The African American Women's Association sponsored the lecture on "Feminine Images in Traditional African Art."

The exhibition "Black Women Visual Artists in Washington, D.C." generated considerable volunteer support. Theta Sigma Upsilon and Delta Sigma Theta Sororities assisted in research and organization and acted as hostesses for the opening event. The Junior League of Washington, D.C. was particularly helpful, providing assistance with planning, fundraising and hosting of the event.

In addition to groups, the Museum-Archives has had support from individual volunteers. Volunteers have assisted with daily clerical functions, special

events and regular programs. Their assistance has been invaluable to the maintenance of the institution's daily operations. Often volunteers come in to assist in conducting the tours and to provide additional staff for Saturday and Sunday tours.

Internship Program

In keeping with its educational mission the Bethune Museum-Archives is devoted to providing work experiences for black youth which prepares them for pursuing careers as adults. To this end, the institution accepted six interns from the District of Columbia's Mayor's Youth Employment Program. Interns have assumed a number of tasks, which include working as museum guides, clerical assistants, word processors and researchers. Through a program sponsored by D.C. Arts, the institution secured the services of Jay Shelton, a Museum Education Intern, whose skills complemented those of the staff beautifully. His ability to design flyers, brochures and program covers served to promote the institution's programs to the public, with minimal cost to BMA. In addition, his ability to assist staff in conducting tours, researching and implementing programs was an invaluable asset to the Museum-Archives program.

Conclusion

The Bethune Museum-Archives continues to be the premier institution for documenting the history of black women in America and for sensitizing the nation to the outstanding achievements of contemporary and historical black women. Its educational kits, video cassetts, travelling exhibitions and other educational materials are found in public schools and colleges, hospitals, court houses, churches, federal agencies, private homes and an assortment of other institutions throughout the United States and in several foreign countries. The advice of professional staff is sought by filmmakers, the White House, educators, organizations and professional associations and the general public on numerous issues.

During FY 1988 the institution's projected budget will be $676,792. Of this total the institution anticipates receipt of $110,000 in direct funds and up to $100,000 in matching funds as provided by Public Law 99-187. The remaining $466,792 will be raised from independent sources by means of memberships, sales, rentals, corporate and foundation contributions and individual donations.

FY 1988 PROGRAM AND BUDGET PROJECTION

During FY 1988 the Council House National Historic Site will celebrate a decade since the site's founding as an institution and its sixth year as a national historic site. The achievements of the past years are testimony to the importance of this site to the American people and to the appropriateness of federal investment in the care and interpretation of this historic property. As a result of the combined federal and private sector support, during FY 1988 the institution will provide its public with a wider range of programs and services than ever before and will initiate steps to make the legacy of Mary McLeod Bethune more accessible to those scholars and researchers who would establish her significance as a leader of international importance who affected the lives of people of numerous races and nationalities. Further, through its interpretive programs the institution will reach a broad spectrum of Americans with important information and experiences which will enlarge the public's understanding of Afro-Americans participation in American history.

The institution's funding base during FY 1988 will be broadened as a result of the combined efforts of the institution's board, staff and national community leaders. Already, as a result of the establishment of a development program supported through a grant from the Rockefeller Foundation, the institution has made presentations to a growing number of potential funders. While response has been limited due to the cautious economic times, the institution anticipates a modest growth in revenues. These funds combined with the designated federal support should permit the institution to continue to maintain the fabric of the historic structure and offer its public high quality programs.

Programs and Services

The Museum-Archives plans to continue its highly successful concert and lecture series. The Bethune Concert and Lecture Series have received recognition in all local print and broadcast media. These series serve the dual function of providing a showcase for local and nationally known scholars and performers as well as permit the institution's audience on opportunity to benefit from the knowledge and talent of persons who are leaders in their fields. During FY 1988 the institution will sponsor approximately 20 concerts and lectures featuring a variety of acclaimed performers and noted scholars. The institution is seeking partial support for the concert and lecture series

from the Agnes and Eugene E. Meyer Foundation and the National Endowment for the Arts.

Outreach/Volunteerism

The Museum-Archives anticipates maintenance of its increase in outreach efforts. A critical aspect of this increase will be the training of volunteers. During FY 1988 the institution will provide potential volunteers with quarterly opportunities for training. By this means the institution will prepare volunteers to act as docents, museum educators, program coordinators, and office support staff. Already the institution has developed a group of over fifty volunteers. Utilizing volunteers the institution will provide guided tours for school aged and college students, community organizations and others. Volunteer educators will prepare special programs for designated groups at area schools. These will consist of in-school presentations and workshop experiences at the Museum. Theta Sigma Upsilon Sororitty is currently developing a workshop for area students associated with the visual arts.

Additionally, volunteer assistance will help the institution to be more effective in its targeted mailing. By updating and arranging its mailings the institution anticipates reaching a broader audience for its services.

Volunteer support will also be provided by the activation of the institution's community support groups, BMA Associates. The friend's group comprised of heads of local community organizations will supplement staff activities by identifying support for a variety of museum functions including lectures, receptions, special programs.

Exhibition

The Museum-Archives exhibition schedule during the upcoming fiscal year will be an exciting one. The current exhibition, "Traditions in Cloth: Afro-American Quilts/West African Textiles" will continue through August 1987. This unique exhibit features quilts by Afro-American artisans from the turn of the century to the present and textiles from West Africa. It succinctly demonstrates the cultural ties between Afro-American and West African cultures evident in the obvious carry overs of basic design and structural elements. The exhibit has generated a wide range of public response and heightened visitation at the site.

In September, 1987 the site will open an historic exhibition of prints by celebrated Afro-American artist Elizabeth Catlett entitled, "The Afro-American Woman." This exhibit will consist of prints depicting the lives and experiences of the Afro-American woman developed by Catlett in the early 1940's after her return from study of Mexican Art. A graduate of Howard University and the

University of Iowa, Catlett was a student of Grant Wood and Assip Zadkine. Her poweful images of Afro-American people, particularly Afro-American Women have gained her international distinction. This exhibit will attract national recognition and will introduce the American public to important aspects of the black experience.

In the Fall of 1988 the institution will open the first major exhibition documenting the role of black women in the Civil Rights Movement. The exhibit "Black Women in the Civil Rights Movement" will introduce the American public to the key black female figures in the civil rights movement and identify the critical role of these women in supporting and shaping one of the most important movements, of the twentieth century.

The exhibit will combine photographs, film footage, taped interviews, artifacts and historic documents to tell the story of this turbulent era. The institution is seeking corporate support for the project. To date the project has met with considerable interest.

Site Preservation and Restoration

The importance of the preservation of the historic fabric of this historic site cannot be overemphasized. It has been over five years since the facade and first floor of the historic structure was restored and adapted. While the institution has utilized private and federal funds to maintain the site it is now time for a significant investment in the important cyclical maintenance of the structure. During FY 1988 critical repairs of the site and its auxiliary, the Archives are proposed.

Those repairs anticipated include:

Historic Site

- Repairs Roof
- Repaint facade
- Repair front stair and walkway
- Up-grade environmental systems

Archives Building

- Repair Archives roof
- Repair/repaint interior
- Up-grade Temperature and Humidity Controls

The federal contribution to these items is critical in view of the difficulty of obtaining private sector funds for "bricks and mortor." The institution is seeking private sector support for this work from the Junior League of Washington, D.C., Kresge Foundation, the Philip Graham Fund and a consortium of black women's organizations.

Internships and Youth Projects

During FY 1988 the institution will continue its participation in the Mayor's Youth Employment Program and Arts D.C. Through these programs the institution has provided black and white youth with an opportunity to gain first-hand experience working in a non-profit institution. Interns have had the opportunity to participate in every aspect of the institution's operations including; program planning, public relations, out-reach and guided tours, clerical assistance, exhibition and graphic design, preparation of reports and informational guides.

In addition to participating in the preceding programs during FY 1988 the institution anticipates development of a Youth Demonstration Program. The purpose of this program would be to provide selected area students with experience described above as well as training opportunities with professionals in humanities fields. An integral part of the program would be on-site visits to selected institutions directed by professionals and work opportunites with the identified sites.

Projected Budget

FY 1988

Salaries	$257,252
Utilites	24,400
Office and Administrative Expense	14,645
Professional Services	9,595
Program Expense	200,000
Development Expense	60,000
Building Expense	110,900
	$676,792

STATEMENT OF GORDON C. ROBERTSON, LEGISLATIVE COUNSEL, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

The International Association of Fish and Wildlife Agencies, founded in 1902, is a quasi-governmental organization of public agencies that possess legal authority for protection and management of North America's fish and wildlife resources. The Association's governmental members include the fish and wildlife managing agencies of the states, provinces and federal governments of the U.S., Canada and Mexico. All 50 states are members. The Association has been a key organization in the promotion of the principles of sound resource management and the strengthening of federal, state and private cooperation in protecting and managing fish and wildlife and their habitats in the public interest.

BUDGET RECOMMENDATIONS--FY 1988--U.S. FISH AND WILDLIFE SERVICE

The Association recommends that the Service's budget be amended in at least the following areas so that the federal government may continue to support an appropriate amount of this Nation's fish and wildlife conservation effort.

The Association recommends that the Administration's request to shift $25 million from the Sport Fish Restoration Account (Wallop-Breaux) to other Service programs be denied. This account is an immensely successful 36 year old dedicated trust fund with a permanent appropriation of the receipts paid by boaters and fishermen. The Service's justification for the transfer is faulty at every facet. These funds are state fishery agency revenues for the exclusive purpose of fishery research, habitat improvement, boating access and facility improvement. The federal government is only the administrator for these state funds.

The Association recommends that the Service's participation in the anadromous fish restoration program be continued and funded at $4 million. This federal-state program is essential to continuing recreational and commercial fisheries that contributes $7.5 billion to the U.S. economy each year, plus untold recreational values. Ongoing anadromous programs on each coast involve fisheries of interstate significance, some of which are species suffering stock depletion and demanding interstate restoration efforts coordinated by the Fish and Wildlife Service.

The Service is not receiving adequate funds to meet current operational requirements for the National Fish Hatchery System. As a minimum, the Association recommends $100,000 over the 1988 request for this purpose. This addition would return the NFHS operation budget request to the FY 1988 base budget level.

The Service plans to postpone much needed maintenance and rehabilitation within the NFHS as reflected by the proposed 14% reduction in the budget for this function. Such reductions will only delay and increase usual maintenance costs. NFHS maintenance funding is requested at a level of $2.8 million.

The Administration's 1988 budget would eliminate endangered species grants under Section 6 of the Endangered Species Act. The premise of that 1973 legislation is to sustain a state-federal effort that restores endangered species to safe population levels. The federal government usurped state authority over endangered species in that Act, and in return promised to assist the states through a grant program. The Association recommends that the Service continue to carry its share of the endangered species restoration burden by maintaining its state grant program at $6 million, and that the Service's endangered species recovery program be funded at the 1987 level.

The Association recommends that $50 million be included in the Service's budget for Land and Water Conservation Fund acquisitions. These funds are necessary to begin meeting habitat goals delineated in the North American Waterfowl Management Plan already signed by the U.S. and Canada.

Again the Administration has proposed that no advance be issued under the Wetland Loan Act. This program was initiated to allow the Service to carry its end of a federal-state wetland acquisition effort for sustaining migratory bird populations. All migratory birds are a federal responsibility under treaty law and it is only responsible that funds other than those paid by sportsmen for duck stamps be available to help stem serious habitat losses. Therefore, $3.3 million is recommended for funding the Wetland Loan Act in FY 1988.

This Association strongly supports the Service's request of $250,000 for woodcock research. Research and survey efforts on this and other webless migratory birds has declined over the last decade.

The Association recommends that $5 million be provided for the Fish and Wildlife Conservation Act of 1980, for matching grants to the states for nongame management. Also recommended is an additional appropriation of $1.7 million for the Service to implement its nongame migratory bird plan. This represents a portion of the Service's responsibility for implementation of the Act.

The Association requests that $1 million be added for support of existing cooperative fish and wildlife research units. No additional units should be created until a budget level of $5.5 million and full staffing is reached for units currently established.

The Association recommends that funds be restored to the Service's research budget to continue publication of the WILDLIFE REVIEW and the FISHERY REVIEW. These are basic and important publications containing listings and abstracts of recent literature for the fishery and wildlife sciences.

The cooperative law enforcement effort between the Service and the states, particularly in the area of covert operations, has proven to be one of the most successful deterrents to illegal commercial activities that adversely impact our wildlife and fisheries resources. The Administration has proposed to cut 4 FTEs and $800,000 from the Service's Law Enforcement budget. The Association recommends these funds and FTEs be restored.

BUDGET RECOMMENDATIONS-FY 1988--U.S. FOREST SERVICE

The Association recommends that Congress add $7 million to the Administration's request for a total basic budget of $44.9 million. Two million dollars of this increase should be designated for spotted owl management, $3 million for endangered species programs, and $2 million for mitigating damages caused by roading and timbering. The Association also recommends 30 new fisheries biologists and 50 new wildlife biologists to handle the much-needed increase in the Service's fish and wildlife workload.

In addition to increasing the Service's basic fish and wildlife program, the Association recommends that Congress provide $10 million in challenge grants that will be matched by private-sector contributions. This money would be used for specific projects to enhance fish and wildlife throughout the National Forest System. Four million dollars of this amount should be directed to wildlife, $2 million to anadromous fisheries, $2 million to warm-water and cold-water fisheries, and $2 million to threatened and endangered species. During the past two years, the Forest Service's Challenge Grant Program, which Congress initiated, has lured more than enough private contributions to match the federal funds offered. This grant system should be used much more effectively.

These additions would bring the federal investment in national forest fish and wildlife to $54.9 million; the private-sector contributions to $10 million for a total budget of $64.9 million. This is less than the $71.4 million that the Service says is needed (RPA high bound).

The proposal to offset the loss of appropriated funds for fish and wildlife management by the use of $6.2 million of K-V funds is inappropriate. The Administration's proposal is contrary to the long-standing policy of using K-V funds to mitigate loss of habitat at specific on-site timber sale areas. The Association strongly opposes this change.

BUDGET RECOMMENDATIONS--FY 1988--BUREAU OF LAND MANAGEMENT

The BLM is proposing an FY 88 redirection of funding from "on the ground" resource management to the area of automated record keeping systems. This reduction of $9.2 million should not be undertaken at the expense of critical range and wildlife monitoring; range and riparian restoration; and anadromous fish projects. The FY 88 budget also continues the long-term reduction in manpower allocated to fish, wildlife and plant activities. In FY 80 there were 363 personnel assigned to these activities -- (290 wildlife; 56 fish; and 17 botanists) vs 256 at present (216 wildlife; 32 fisheries; 8 botanists).

The Association requests restoration of $2.3 million to the FY 88 wildlife habitat management budget. This would prevent any additional manpower loss (20 FTEs) and allow monitoring of the new riparian zone policy; wetland areas; and critical wildlife habitat. Additionally, BLM is not keeping current with requests from the private and state sectors for work on candidate threatened and endangered species. We urge an additional $500,000 be allocated for this activity.

Rangeland monitoring is a direct indicator of the BLM success in wildlife management. The FY 88 request in this area of $7.6 million is insufficient. The Association recommends that $9.1 million be allocated for this activity.

FY 88 challenge grants of $450,000 for wildlife to the BLM were heavily over subscribed by the public and private sector. This new program should be funded at the $4 million level in FY 88 to match existing monies from the private sector.

Statement of Jo Luck Wilson, President, National Association of State Outdoor Recreation Liaison Officers

Mr. Chairman and members of the Subcommittee, I very much appreciate this opportunity to testify before you concerning the Land and Water Conservation Fund. I am the Director of the Arkansas Department of Parks and Tourism; however, I am here today in my capacity as President of the National Association of State Outdoor Recreation Liaison Officers. Our organization is an association of persons, like myself, who are designated by the Governors of our respective states, territories and the District of Columbia to be responsible for implementing the Land and Water Conservation Fund Act (L & WCF). Our program provides a unique state/federal partnership which has worked extremely well for nearly 20 years to provide a significant and essential system of park and recreation resources and services.

Mr. Chairman, we want to thank you and the members of this Committee for including $35 million for the state-side of the Land and Water Conservation Fund in last year's budget. These funds have been committed by the states to high priority parks and recreation projects.

We are also requesting your support for an immediate expansion to $200 million for the state-side of the L & WCF for the FY 88 budget as a first step in the eventual implementation of the one billion dollar Outdoor Recreation and Conservation Trust, recommended by the President's Commission on Americans Outdoors.

Over the past six years we have watched the reduction of the state-side of the L & WCF from $300 million a year to last year's $35 million. This has been done at the recommendation of the Reagan Administration in the name of deficit reduction and budget balancing. Unfortunately, these actions have neither balanced the budget nor reduced the deficit, but have on the other hand decimated the nation's most important outdoor recreation and conservation program.

The year-long hearings and reviews by the President's Commission on Americans Outdoors have confirmed the great importance of the over $6 billion in outdoor recreation estates that have been created by the L & WCF over the past twenty years. In city after city and state after state, the land and facilities purchased jointly by the federal, state and local governments stand as a testament to Americans' outdoor heritage. Without these acquisitions, without the careful development of these lands, the outdoor recreation opportunities in every state and every city would be severely diminished.

While members of this Committee and other Senators understand the impact of this program it has been interesting to observe the President's Commission on Americans Outdoors as they uncovered its accomplishments. State officials and local citizens testified frequently, making the following points:

- The passage in the summer of 1964 of the Land and Water Conservation Fund Act (Public Law 88-578) culminated an effort spanning the administrations of five Presidents that focused national policy and resources on outdoor recreation needs. This Act was a landmark in the nation's struggle to preserve, conserve and to creatively utilize its outdoor resources and to make a small reinvestment of the nation's receipts of offshore oil and gas monies for the permanent use of all citizens and future generations.

- The administration of the Land and Water Conservation Fund has become increasingly efficient with the States continuing to maintain high obligation rates indicating a strong demand for Fund assistance.

- The fifty percent matching requirement of the program assures, at least, a doubling of the investment from the Fund. In addition, this is one of the few Federal grant programs which is capital intensive and results in a strong job-oriented operational commitment to projects by State and local governments.

- The Land and Water Conservation Fund program has provided matching funds for over 29,000 individual projects involving land acquisition and recreational development, amounting to an investment of nearly $2.9 billion. It is a legacy to our children and grandchildren that is irreplaceable now.

- This program uniquely contributes to the public infrastructure of the nation's urban and rural areas through investments in perpetual resources; strengthens our country's social fabric through the provision of needed recreation opportunities; and, returns to local, state and national economies vast gains in employment, tax revenues and consumer expenditures generated by healthy recreation, travel and tourism industries.

- There is growing support to promote the recreation and tourism opportunities throughout the nation as a phase of economic development. We support this effort, but we wonder what there

would be to market for visitors without the twenty-five years of L & WCF outdoor recreation efforts and what will be our recreation future if this type of priority is eliminated from Federal activity. We boast of this success, but the Administration apparently fails to understand that the future of quality outdoor recreation opportunity depends on continuing to build this legacy.

- Local and state park and recreation facilities greatly relieve the demand and use of the national parks. The state-side of the L & WCF encourages states and cities to provide recreation opportunities closer to home and more accessible to low-income and handicapped persons.

- It has been a catalyst to state and local entities encouraging the acquisition of significant parcels of land and the provision of public recreation resources and facilities with over $350 million worth of eligible projects remaining unfunded.

- Recent surveys by state economic development departments indicate that recreation opportunity is a major factor in site location. The L & WCF answers a broad and fair distribution of public outdoor recreation facilities as opposed to the concentration of private outdoor recreation facilities in higher income areas.

- The program represents an effective approach for providing recreation facilities close to the country's population centers as nearly three-quarters (75%) of the Fund assistance received by the states is passed through to local communities providing close-to-home recreational opportunities.

For the past few years the states' side of the Land and Water Conservation Fund program has been subject to numerous funding uncertainties, a recision, a deferral and a year's moratorium. The $35 million funding this past year, dictated by a responsive Congress, has kept the program in place pending the submission of the President's Commission on Americans Outdoors report. That report was sent to Members of Congress and it not only strongly endorsed the L & WCF Trust concept; it expanded its funding recommendation to one billion dollars a year. Within the report are recommendations for specific methods for raising the revenues to pay for the expenditures under a permanent trust fund. We believe the American people will pay a small excise tax on a broad range of outdoor apparel and equipment, a one penny summer gasoline tax and press for some specific reinvestment of off-shore oil royalties <u>if</u> they knew that the funds would be used specifically to enhance the outdoor recreation estate in this country. The alternative is to continue to use up our land and endanger our environment at a rate which will not allow us to conserve it for our own use - much less for the use of our children.

We realize that it will take the entire Congress, including other Committees, to develop the new trust concept. However, we believe that its final design will not be too different from the existing L & WCF program. Thus, we are urging this Committee to take the first step in a rejuvenation of the L & WCF process by appropriating $200 million for the state-side of the program. We do this fully understanding that there are serious budget level restraints, but we do this in response to the clear need identified by the Commission and the need to take a first step toward a renewal of the national, state and local commitment to conservation and preservation of our outdoor recreation program.

In summary, Mr. Chairman and members of the Subcommittee, the National Association of State Outdoor Recreation Liaison Officers urges you to support the funding of the states at a level of at least $200 million for the FY 88 budget as recommended by the President's Commission.

Thank you Mr. Chairman for the opportunity of being able to testify before you today and for your unselfish and continued support for the program.

STATEMENT OF CHIP MORGAN, EXECUTIVE VICE PRESIDENT, DELTA COUNCIL

My name is Chip Morgan and I am Executive Vice President of Delta Council, a non-profit, privately-supported organization of farmers and businessmen in Northwest Mississippi. Our region of the country is endowed with some of the only virgin stands of southern bottomland hardwood forest in the entire nation. The Lower Mississippi River Valley has long been recognized for the reproductive capacity of the natural hardwood stands that adjoin the Mississippi River in this part of the country. In recent decades, the value of these hardwood areas as an excellent habitat for wildlife and water fowl has become underscored by the formation of privately-managed hunting clubs that practice rigid wildlife conservation guidelines.

The reason that we appear before you today is to stress the need for increased emphasis to be placed on all facets of forestry research. We recognize that we are blessed in our region of the country with a very unique natural resource of hardwood timber; however, if it were not for the dollars that have been invested in forestry research at the Southern Hardwood Research Laboratory, the enormous regenerative powers of these natural stands of bottomland hardwoods could not sustain the man-made and natural forces that are so persistent. It is our belief that forestry research is the only investment that can gain us the assurance that the cultivation of the bottomland hardwoods stands will continue in future generations. The vital research initiatives in the area of hardwoods timber management and timber production research have not only provided a stimulus for maintaining the economic potential of hardwoods as a valuable resource, but this research has

also contributed immeasurably to the sustenance of this resource as a habitat for a vast number of species of this nation's most treasured wildlife populations.

In recent years, budget restraints have caused our hardwoods research effort to essentially stall. At the request of local interest and numerous organizations interested in hardwoods research such as Delta Council, plans have been developed which would provide a research effort in Southern hardwoods to meet the challenge of maintaining this valuable natural resource for future generations. In consultation with private experts from the respective timber interests in the region and scientists at the Southern Hardwoods Laboratory, we have determined that a minimum amount of resources added to the existing budget for the Southern Regional Hardwoods Laboratory could provide enormous benefits to the future of hardwoods as a source of economic and ecological importance. Strengthening the timber management programs in Southern hardwoods, a soil research effort and the addition of a wildlife research component at the Southern Hardwoods Laboratory could help this entire region of our nation realize its potential in the area of hardwood management. In no other region of the country does forestry research serve a more compatible ecological function between our forestry and wildlife resources than in the Southern hardwood areas of the Lower Mississippi Valley.

We strongly encourage this Subcommittee to give careful consideration to the needs of Southern hardwoods research

STATEMENT OF JACK A. BARNETT, EXECUTIVE DIRECTOR, COLORADO RIVER BASIN SALINITY CONTROL FORUM

Requesting additional funds over and above the FY 88 budget request by the President for Bureau of Land Management Renewable Resource Management activities, particularly with respect to the sub-activities under the classification of Soil, Water, and Air Management.

Funds requested: $16,896,000
Funds identified in the President's budget: $15,356,000

JUSTIFICATION

The water of the Colorado River System serves some 17 million people and irrigates approximately 1.6 million acres of land in parts of the seven Colorado River Basin states. The river also provides domestic and irrigation water to Mexico. Salinity has long been recognized as one of the major problems in the river. Water users in the lower reaches of the river system have suffered significant adverse impacts due to the river's salinity. These impacts have been estimated to have reached over $100 million a year. Without salinity control measures and with increased demands for Colorado River water in the Basin, the river's salinity is projected to increase, further impairing the usefulness of this water supply. The economic damages suffered by the water users could double by the turn of the century.

The Basin states' concern with the river's increasing salinity led them to create the Colorado River Basin Salinity Control Forum in 1973. The Forum (whose members are appointed by the governors of the respective states) developed a salinity control policy that stated that while the Basin states continue to develop their compact-apportioned waters, salinity concentrations must be maintained at or below those levels found in the lower river in 1972. This salinity control objective is the Basin states' adopted-EPA approved water quality standard for the Colorado River. The standard was adopted pursuant to the Clean Water Act. The policy forms the basis for the cooperative federal/state, Basin-wide salinity control plan. The Forum has a continuing responsibility to see that a salinity control plan is implemented to meet the policy objectives.

After discussions with the federal government, the Republic of Mexico, and the seven Colorado River Basin States, the Congress enacted in 1974 the Forum-sponsored Colorado River Basin Salinity Control Act (P.L. 93-320). Title I of the Act established a program to reduce the salt concentrations below Imperial Dam (the last diversion point on the Colorado River in the United States), so that the United States could honor its 1973 agreement on Colorado

River salinity with Mexico. The Act established a program, Title II, which allowed the states and the federal government to work together to prevent salinity increases in the Colorado River above Imperial Dam, benefitting users in the United States as well as Mexico. The 1974 Act also created a Colorado River Basin Salinity Control Advisory Council, composed of gubernatorial representatives of the Basin states to advise the Secretaries of the Interior and Agriculture and the Administrator of the Environmental Protection Agency as to needed annual adjustments to the salinity control effort.

In 1984 the Congress enacted much needed amendments to the 1974 act. These amendments were advanced by the Forum. The amendments (Public Law 98-569) authorized additional Department of the Interior and Department of Agriculture activities that were needed to meet the objectives of the Act. In recognition of the vast amount of federal land managed by the Bureau of Land Management (BLM) within the Basin, the Congress assigned certain responsibilities. These include the development of an agency-wide salinity control program for the Colorado River drainage basin, with a report due back to the Congress by July 1, 1987. The Basin states are anxious to review this report as it is anticipated that specific funding needs will be identified therein. A review of that report may lead the Salinity Control Forum to conclude that additional testimony to the Congress will be essential prior to final Appropriation Committee action on FY 88 funding.

Salinity is one of the major problems in the Colorado River system. It is imperative that the salinity control activities of the BLM not be curtailed and that adequate funding be appropriated in FY 88 so that the congressionally directed salinity objectives can be achieved. Therefore, we request that the funds for the BLM, as identified in the opening paragraph of this statement, be appropriated by the Congress. Of the funds appropriated for Soil, Water, and Air Management, we believe that with respect to salinity control in the Colorado River Basin, $300,000 should be expended for Planning Activities, $450,000 on Project Work, $610,000 on Inventory in search of potential salinity control options, and $180,000 for Monitoring of completed control measures. These are currently identified needed appropriations over and above the funds that would be used within the President's budget for conservation practices within the Colorado River Basin. These needs have been identified without the benefit of knowing the recommendations now being formulated for congressional review by BLM in their forthcoming report.

The Forum appreciates the opportunity to testify on this important matter. We offer our continued cooperation with the federal entities as we collectively look for cost-effective ways to maintain the quality of the river.

Statement of Nellie L. Longsworth, President, Preservation Action

My name is Nellie L. Longsworth, and I am President of Preservation Action, the national citizens lobby for historic preservation issues. We are a nonprofit membership organization supported by individuals, organizations, and corporations in all 50 states concerned with the preservation of the built environment. We have a Board of Directors of 174

members and a nationwide network of volunteer advocates who are leaders in their own communities on preservation and neighborhood issues.

It has been my great privilege to testify before the subcommittee for over 10 years and to bring a number of critical issues before its members and staff. Of course, this has included 7 - yes seven - years of seeking fair funding for the Historic Preservation program from a Congress that is presented with an Administration request and justification for zero $ appropriation. Since 1981, the Administration has made three rescission requests. The leadership of this subcommittee is to be commended for its rejection of rescission and its implied dismantling of the only program that insures a national preservation policy.

Today, we are beginning Congressional action on the F/Y 1988 appropriations process. In fact, 1987 is a very special year for our nation's history as we observe the 200th birthday of the Constitution. James Madison and his gracious country home, Montpelier, will move into the spotlight of our heritage celebrations. Towns and cities will highlight their own histories as a means of paying homage to those whose vision of government and law remains the inspiration and basis upon which our nation operates today.

This year will be even more exciting as US-ICOMOS puts the finishing touches on a most important international event - the convening of the World Assembly of ICOMOS, the International Congress of Monuments and Sites, in September in Washington, DC. Official representatives of many nations will convene in our great city and share their expertise on the protection of important world heritage sites. The preservation of irreplaceable monuments, sites, and natural areas is an issue that crosses international boundaries and language barriers and draws preservation-minded people from all parts of the world to participate in this unique event. Of course, the tireless efforts of many American preservationists are represented in this once-in-a-lifetime opportunity. You might be interested to know that the fall General Assembly meeting will have increased significance as the National Trust, Preservation Action, the National Conference of State Historic Preservation Officers, and the National Alliance of Historic Preservation Commissions - as well as others -plan to hold meetings in conjunction with the international event.

But what has this to do with the Appropriations Subcommittee's funding recommendation for F/Y 1988? The past six years have been very difficult for the national preservation effort, not unlike all other domestic programs. We have shared in the reality that federal deficits forced the Congress to cut non-essential programs, or, as in our case, to find the lowest funding level possible to "hold the program in limbo rather than killing it" until better financial times returned. We have watched the Administration's Budget come in at $zero, and have been pleased with the Congressional response of rejecting the $zero and replacing it with survival level funding for the states and National Trust. Necessary program cuts were instituted and we watched the backlog of truly deserving program needs grow and expand while money shrank and our irreplaceable resources became more endangered.

An inordinate amount of time and money have been spent in keeping the preservation program at a survival level when, in fact, the program has the potential for significantly improving the well-being of our communities and citizens. A nutshell view of the program offers good reason why federal income tax dollars should be more generously directed toward historic preservation.

*Many of America's great houses, landmarks and cultural landscapes are threatened by the fact that, to date, no coordinated system of

identification, designation and protection has been developed and implemented to date.

*a dollar spent for preservation survey and planning assistance returns many times its value to government by helping communities use existing built resources as a keystone for economic growth.

*cultural tourism, highlighting our historic buildings and districts, has just begun to emerge as an important way for communities large and small to attract dollars, international visitors, and traveling families. A small planning grant can help a city maximize its resources.

*the rehabilitation of historic properties provides affordable housing for all income levels while providing jobs for skilled craftsmen of many trades and their apprentices.

*rural communities have preserved their Main Streets to successfully compete with the regional shopping mall that attracts consumer dollars to sites beyond the incorporated limits of the city.

*tax incentive programs bring investment in our historic properties from private sources, with minimal revenue loss to government.

*many buildings, i.e. those that do not qualify for tax incentives such as those in government ownership or non-profit ownership, can be saved from deterioration by a small seed grant that has the effect of assisting a community to leverage other rehabilitation funds.

*the authorized structure of the program - a partnership between all levels of government and the private sector directed by the National Park Service - places decision-making in the hands of professionals closest to the historic resource while maintaining uniformity of standards and procedures for all states and localities.

One might question why the Department of Interior and National Park Service are at the center of this comprehensive program that touches so many facets of government and private citizen's lives, in fact, one might wonder why such a program is not funded by HUD, Education, Agriculture, or Labor.

The answer is simple - the program resides in Interior because the brilliant men and women who wrote the legislation believed it best fit into the agency that already had major responsibility for the conservation and preservation of both natural and built environments. A program - originally designed to use historic preservation as a means to halt the rampant destruction of our heritage resources - has grown and become more visible. Preservation activities have helped cities and towns of all sizes incorporate their past into their future - with aesthetic, educational, economic, vocational, and "quality of life" results. In 20 years, the program and its public private partnership have matured, striving to be always cost effective and easily understood by the citizens. However, its full potential has never been achieved.

For 1988, Preservation Action asks the Subcommittee to think of historic preservation "in the whole" and look at a request of $76.42 million not as a tripling of HPF dollars, but as a commitment to adequately fund all elements of the program within its jurisdiction. A strong federal commitment of dollars and activity is necessary to support the clearly defined and complementary roles played by the states, local governments, and the private sector.

This $76.42 million figure would include the following program components:

the National Register program within the National Park Service and it subsidiary programs at an $8.6 million level,

the Advisory Council on Historic Preservation which assists and encourages all federal agencies to carry out mandated preservation responsibilities and advises the President on preservation measures at the $1.7 million level,

the matching grants to the state historic preservation offices for carrying out federally mandated responsibilities at a $27 million level,

the "pass through" funds for certified local governments to bring preservation closer to the effected sites and districts at the $6 million level,

"seed" restoration grants to encourage work on landmarks and structures that do not qualify for other incentives - a matching grants program administered by the states - at a $27 million level,

the important work done by the National Trust for Historic Preservation as chartered by Congress at the $5.9 million level, and

Assistance to ICOMOS to host the General Assembly meeting in Washington this year and to actively participate in the international preservation community at the $150,000 level.

It is vital that 1987 - an important year historically - be the year the preservation program stops trying to save itself and moves forward into a role where it is helping our nation in many ways, and doing it in a cost effective manner. Taxpayers care very much about how their hard earned tax dollars are spent. Preservationists will be making a case throughout the nation that the $76.42 million expenditure within a $1 trillion budget is a high priority expenditure. A recent Gallup Poll showed that 7 out of 10 Americans believe that historic preservation is very important and that they are willing to have tax dollars spent in this way.

In the past few years, we have worked to gain the support of mayors, governors, state legislators, and as well as members of Congress. And now we ask for your serious consideration of our request for a fair funding level that insures continuation of a federal program that has consistently - for 20 years- proven its value, effectiveness and efficiency. The federal government has the responsibility to provide leadership in the preservation of this nation's past for its citizens today as well as those of the future.

Statement of Professor William H. Funk, Member, Board of Directors, Universities Council on Water Resources

I am William H. Funk, Professor of Environmental Engineering at Washington State University and Director of the State of Washington Water Research Center. Today, my purpose in appearing before you, is to testify on behalf of the National Association of State Universities and Land Grant Colleges (NASULGC), an organization of 150 institutions whose scientists, educators, engineers, and administrators are concerned about water resources research and education. In addition, as a member of its Board of Directors, I also represent the Universities Council on Water Resources (UCOWR). UCOWR is an organization of 84 universities which are engaged in all aspects of water resources, including education, research, public service and international activities. With me today is James C. Warman, Professor of Civil Engineering at Auburn University, Director of the Alabama Water Resources Institute and immediate past chair of the National Association of Water Institute Directors (NAWID). NAWID represents the Centers and Institutes, located in each state or territory, of the Water Resources Institute Program and is another organization vitally concerned with water research, education and information dissemination. The Committee on Water Resources of the National Association of State Universities and Land Grant Colleges (NASULGC) is also represented here today by its chair, Archie J. McDonnell, Professor of Environmental Engineering at Pennsylvania State University.

As representatives of these organizations, we are here today, unified in our concern for and support of water resources research and education. At national conferences of these organizations and other professional and educational societies throughout our nation there is a common thread of

increased concern about, and a better understanding of the urgent need for, water research to address the growing number of water problems facing the citizens of our communities. As never before, our scientists and institutions feel a necessity to investigate, understand, reduce and resolve these problems.

Water for Our National Community

Today in our country almost every community faces water-related problems. A common thread of increased concern runs through our news media and our state and national governing bodies. The need for water in our ever changing 20th century lifestyles and technologies is always increasing. Each community must provide safe drinking water for its citizens and an adequate supply to meet their daily needs. In addition, the nation's economy must be improved and made more competitive through lower costs and the development of new technologies for industry, the environment must be safeguarded from carcinogens and toxic chemicals, the food supply must be maintained through improved water supply and nutrient conservation, and recreational opportunities must expand with our growing population.

These are not hypothetical issues but real problems that have a direct impact on each of our citizens in all of our communities. The fisherman in Idaho is concerned about preserving natural streams. The city dweller in New England is faced with the disposal of increasing amounts of garbage and sewage. In Nebraska the wheat farmer must be concerned about the availability of water to irrigate his crops. For the developer in Puerto Rico an antiquated sewage disposal system may spell the end to his dreams. The carpet manufacturer in Georgia needs new technology to help him conserve water and cut his production costs. Regulation of river traffic on the Mississippi River affects the barge owner and the industry that he supplies.

All of these individual needs are part of the greater issues that face not only citizens, local communities, and state officials, but also must continue to be addressed on a national level so that their solutions may be cost-effective and relevant. Our citizens must understand the environmental and health benefits of alternative approaches, as well as costs, so that the most logical, efficient and economical methods can be selected by each community.

Meeting the Nation's Expanding Needs

Because water is an integral part of our national community, it cannot be thought of as a single problem affecting one state or even one region. All water problems are linked and our research must reflect these interrelationships. Our drinking water comes from the same source as the water we use to grow food, the resources we use for recreation and the land in or on which we store our wastes. A shift must be made away from the development of new sources toward the preservation and conservation of our present supplies. We must be prepared to protect and preserve our resources that in the past have appeared to be limitless.

The researchers at our universities can provide information and research to solve water problems in areas where there has not previously been a response by a mission-oriented governmental agency or private industry. Universities furnish an atmosphere of free inquiry insulated from most special interest groups and self-serving biases. Research that is the result of this atmosphere can supply an objective, interdisciplinary, scientific overview of water problems.

Improved Technology

For agriculture, research is increasing our nation's food supplies through irrigation scheduling and new ways to deliver water to plants. Researchers have developed ways to shield our water resources from the pesticides and herbicides that make our agriculture the most productive in the world.

Governments of all sizes are benefiting from the new ideas that research is generating. Scientists have developed new non-carcinogenic methods to treat our drinking water. New landfill siting and management procedures are making our communities cleaner and safer places in which to live. With the new water plans and computer models that investigators have developed, our communities can fully utilize all of the water that is available. Choices in methods to deal with wastewater and sludge allow governments to make more cost-effective and efficient decisions that are fitted to their individual needs. State governments now have available new procedures for meeting environmental emergencies like gasoline spills and floods.

Researchers are working on water conservation techniques that will cut production costs for the nation's industry. Costly lawsuits can be prevented with new wastewater and hazardous waste treatments that safeguard the public health. Research into acid rain and water pollution prevention will preserve the health of the our citizens. Better management procedures have been developed through advances in data management, statistical analysis and computer modeling.

Better Science

Today, there is a much closer coordination among universities in their review of research directions. Duplication of research efforts has been virtually eliminated. As the Water Institutes and participating universities develop computer information retrieval systems that can tie into the U.S. Geological Survey's Water Resources Scientific Information Program data base, as well as each other, a nationwide clearinghouse of water information will be in existence. Through conferences, workshops and other information dissemination procedures, scientists can share with each other and the general public new ideas and fresh approaches to ever more complex water problems.

Education for the Future

Students bring the concerns of their communities to their education and research, providing fresh ideas, new enthusiasm and ingenious solutions to the complicated water issues that face the nation. Working with established researchers in quality programs at prestigious universities, the Water Resources Research Institute Program remains a major source of support for water resources manpower development. The projects that are funded build expertise and attract capable individuals into the vocation. There is a high retention rate of former students within the water related professions. These graduates return to their communities to work for state and federal agencies and in private industry.

Some Water Research Institute Programs at Work

Alabama

A large field experiment at Alabama Power's Barry Steam Plant near Mobile, will test a new three-dimensional model for studying the spread of pollutants in natural aquifers. This study and others like it will help the EPA and other federal and state agencies protect the nation's groundwater supplies. In a 10-year project researchers from Auburn University's Department of Chemistry and School of Veterinary Medicine are developing a

new agent that has the potential to be a more effective and less dangerous disinfectant for drinking water than chlorine gas. Both the U.S. Army and the U.S. Air Force have awarded additional funds to continue this study because the anti-microbial agent is a solid and could prove very efficient in the military's portable drinking systems.

Arizona

Because organic compounds naturally produced in soil are of increasing concern in groundwater pollution, the Arizona Institute is funding the development of a method for their rapid analysis. With this tool and an increased understanding of the chemical structures of the compounds, managers of municipal water systems will be able to monitor the concentrations of these pollutants from their natural river sources to the wastewater treatment plant.

Arkansas

With new target water levels developed by researchers for an area of Eastern Arkansas, which is experiencing de-watering of a major aquifer, a sequence of answers will be available to local water management districts as they are formed. Educational materials and presentations developed by state agencies in cooperation with Institute researchers have led to a substantial increase in the public awareness of Arkansas' water problems.

California

Over the last three years, the California Center has coordinated the efforts of an interdisciplinary working group of academic and government agency specialists to study the management of California's rural chaparral watersheds. Their findings about this 17 million acre natural resource are particularly significant in a state which has increasing developmental demands.

Colorado

Nearly 70% of Colorado's population lives in the South Platte River Basin, an area of 19,000 square miles. Although agricultural, industrial and urban water users annually draw 91% of Colorado's entitled water from the river, an estimated average of 300,000 acre-feet is lost downstream. Crop production alone could increase by $15 million per year if that water was fully utilized. With a new computer model program, SAMSON, developed by Colorado Institute sponsored projects, water managers will be able to simulate daily basinwide conditions under any management modification. The program has already been used to evaluate emergency drought measures, analyze a river augmentation plan, and measure the effect of artificial aquifer recharge proposals.

Connecticut

A program of water well testing was able to determine the frequency interval necessary for detecting chemicals leaching from landfill operations. In addition, the frequency and duration of precipitation in the form of rain and snow was documented as an important component of the contamination process.

Delaware

A two-year project of the Delaware Water Resources Center has found that landfills using an impervious underliner to capture pollutants, may in fact be overflowing and causing additional problems after filling. With 32,000 sites nationwide that contain significant amounts of hazardous waste, the importance of this type of basic research to test new management technologies cannot be overemphasized.

Florida

The traditional approach to stormwater management has been to remove the water from the site as rapidly as possible. This often causes serious problems to downstream areas. In a project sponsored by the Florida Water Resources Research Center, a computer program has been developed that will permit overall evaluation, including costs, of alternative stormwater management methods.

Georgia

Georgia's textile manufacturing industry will benefit from new technology developed at the Georgia Water Center to maintain the uniform color of a dye bath when it is used for multiple batches of carpet. Carpet mills can now use the same heated water for up to five carpet batches, producing a savings in water, chemicals and energy. With only a limited knowledge of wetland ecology, the Okefenokee swamp has been suffering from mismanagement. A long term study sponsored by the Center has been able to recommend methods for improved swamp maintenance that do not involve the catastrophic interference by managers with water-level control, channelization or vegetation clearance.

Guam

The Government of Guam's municipal landfill is very close to the Lonfit River, which has been a source of shrimp and fish for the local populace for many years. Based on the results of research findings from a 2-year project sponsored by local and Institute funding, the site has been targeted as one of the EPA's "Superfund" hazardous waste cleanup projects.

Hawaii

By the year 2000 or shortly thereafter, the projected water demand for the island of Oahu will exceed the sustainable groundwater yield. Research at the Hawaii Center has developed a system for applying diluted effluent to sugar cane that can maintain sugar yield and significantly recharge the underlying groundwater without pollution. The selection of this reclamation-reuse method over others has also saved the City and County of Honolulu over $3 million in capital improvement costs.

Idaho

Water quality has a marked effect on fish production whether in natural streams and lakes or in commercial aquaculture facilities. Aquatic and fisheries biologists have carried out several Institute funded projects to improve fish habitat in natural streams through effective cleanup of gasoline spills and to control fish disease through new aquaculture system designs.

Illinois

In corn producing states, most pesticides are applied to the soil in the spring when cooler soil temperatures and heavy rains lead to surface runoff of pesticide laden water and soil. A project of the Illinois Center will study various management practices and design experiments to assess the field-to-stream transport of pesticides. Other recent studies in Illinois have shown that crop yield increases of up to 80 bushels an acre can be achieved on a claypan soil with adequate water management that decreases the loss of nitrogen from the soil to the water table.

Iowa

Many of the streambeds in western Iowa are eroding. The Iowa State Water Resources Research Institute has funded research used by state agencies and the Corps of Engineers that evaluated management scenarios for the Missouri River between Gavins Point Dam and Omaha. In a related project, the Institute--jointly with the Iowa Department of Transportation--designed and constructed a demonstration project to control instream erosion processes.

Kansas

Salinity problems have been created in the Burrton, Kansas area as a result of poor oilfield brine disposal practices. A Kansas Institute project was able to predict how fast the brine plume would move through the aquifer and predict the average salt concentrations for different parts of the aquifer. This information will help managers to avoid future problems and to assess the extent of the present situation.

Kentucky

Geologists supported by the Kentucky Institute have used optical brighteners, commonly found in household detergents, to trace groundwater flow in the areas of the state underlain by limestone rocks. These brighteners can also be used to determine the level of human wastewater present in the groundwater being traced. Approximately 2,200 groundwater research reports have been sent to the communities in Kentucky that have been directly affected by this research.

Maine

The Maine Center has had great success in its coordinated activities regarding the problem of radon pollution. The initial and pioneering research that was sponsored by the Center has led to a expansion of research supported by other state and federal agencies. Subsequently, the Center began an expanded information dissemination program with media releases, local workshops for concerned citizens and over 6,000 bulletins distributed to homeowners in Maine and throughout the nation.

Minnesota

Many of the numerous lakes in the Upper Great Lakes states, Minnesota, Wisconsin and Michigan, lie in acid-sensitive areas. These lakes are vitally important ecological, recreational, and economic resources for the region. Water chemistry on more than 1500 lakes was assembled into a large database at the Minnesota Center. With it researchers were able to have major input into an acid deposition standard that was developed in 1986 by the Pollution Control Agency of the State of Minnesota.

Missouri

The contamination of many sites with dioxin, one of the most toxic synthetic chemicals known to man, is without doubt the most publicized environmental issue ever to occur in the state of Missouri. Because of the flexibility in its research program, the Missouri Center was able to respond immediately with projects studying what many Missourians felt was a critical question--the fate of the dioxin in the environment. Both EPA and the U.S. Center for Disease Control representatives have referred to the results of this research as critical in determining the extent and severity of the exposure of Missouri's citizens.

Montana

The Clark Fork River, draining the western quarter of Montana, has for over a century been heavily impacted by major mining operations near its headwaters at Butte. Although mining activities have ceased, toxic metals are still being transported through the river. With representatives of state water agencies and the Montana Governor's office, researchers at the Montana Water Center have set up and coordinated a task force which will study the river's ecosystem and make recommendations on methods to upgrade and protect this major economic and recreational resource.

Nebraska

Intensive irrigation has resulted in declining groundwater levels of as much as 20-feet in several locations across the state of Nebraska. Nebraska Center-sponsored research projects determined that the scheduling of water application can conserve this declining resource. Without irrigation scheduling the estimated yearly cost of irrigation in the state is $300 million for 12 million acre-feet of water. The new technology could result in a reduction in irrigation water of 4.4 million acre-feet and a direct energy savings of $123.6 million.

New Hampshire

As our petroleum storage facilities age and are expanded, gasoline contamination of groundwater is becoming one of the leading problems facing the nation. Researchers at the University of New Hampshire in projects sponsored by the Water Center are evaluating the use of naturally-occurring bacteria to decontaminate and cleanup spills. With this new technology, spills occurring throughout the United States can be treated with a process that degrades the gasoline to inert, harmless by-products.

New Mexico

Basic research on water quality sponsored by the New Mexico Water Resources Research Institute has led to a patent for New Mexico State University and the introduction by a private corporation of a new technology to a worldwide market. The process, which uses algae to cheaply recover heavy metals from contaminated water, was featured in the PBS series, "Water in the Desert."

North Carolina

North Carolina and the southeastern part of the United States' long-running battle with aquatic weeds has escalated since 1980 when Hydrilla, an especially troublesome and persistent African species was discovered in the region's lakes. To combat the spread of the pest, the North Carolina Institute has helped launch a concerted effort to learn more about the weed and alternative methods of control. A current project seeks to develop the technology to produce sterile grass carp to graze the Hydrilla and help return the affected lakes to their former important recreational functions.

North Dakota

Because of the widespread use of pesticides in agriculture, it is of considerable interest and increasing concern to the citizens of North Dakota that groundwater and drinking water sources be monitored for the presence of these potentially toxic substances. Findings from research sponsored by the North Dakota Institute have shown negative results or concentrations of the pesticide, picloram, at specific well sites far below EPA no-adverse-response levels. Although this is good news, the Institute continues and has expanded its monitoring efforts as the use of these agents increases.

Oregon

In a recent two-year cooperative regional resource analysis, the total untapped stream power and energy potential for low-head hydropower development of undeveloped rivers and streams in Oregon, Washington, Idaho and Montana was studied. The Oregon Water Institute complemented this research with an information dissemination program which translated the findings into reports and talks to groups and individuals interested in "backyard" and small commercial/industrial hydropower systems. The Oregon Department of Energy used the Institute's database to determine how much site data should be required from applicants for micro-hydro development loans.

Pennsylvania

To date some 3000 acres of strip mined land in western Pennsylvania have been reclaimed using a technique developed through research sponsored by the Pennsylvania Water Institute. This method which is enviromentally safe with no adverse effects on vegetation, soil or groundwater and little risk to animal or human health has benefited the local communities through elimination of erosion, sedimentation and acid mine drainage, increased local employment, a restoration of wildlife habitat and recreational hunting areas, and the creation of several new small businesses.

Puerto Rico

In 1985 the EPA won a legal battle and halted all new connections to the publically owned system of sewage water treatment plants in Puerto Rico. This has practically paralyzed industrial growth and new construction on the Island. In response to this extraordinary and critical need the Puerto Rico Institute has sponsored in the last 3 years, five different projects including the development of a comprehensive sludge disposal plan for Puerto Rico. The results of these projects are already being used in the design of a new treatment plant and the conversion of another plant to alternative disposal methods.

Tennessee

The University of Tennessee/Knoxville and Vanderbilt University are involved in a multi-year research project funded by the Tennessee Water Center to determine the need for hazardous waste treatment and disposal facilities in Tennessee. The closure of out-of-state treatment and disposal facilities places the burden on each state to take care of its own waste and thus the results generated by this project will give state government officials a clearer picture of their "bottom line".

Texas

With often less than a 50% efficiency rate, agriculture in Texas is not effectively using the 72.5% of the total water resources and 85% of the groundwater resources it consumes each year. In the past 5 years the Texas Water Resources Institute has funded research projects that have assisted in the development of the Low Energy Precision Application (LEPA) irrigation system that uses dropped tubes instead of high pressure sprinklers to apply the irrigation water very near the soil surface. It is estimated that a farmer in the southern High Plains with a 160 acre farm who converts his existing high pressure sprinkler irrigation system, which has a 50% efficiency, to the new application system, which has a 92% efficiency, would realize a monetary gain over 20 years of $136,000.

Utah

When Public Law 92-500 imposed stringent effluent standards on all municipal wastewater treatment systems, it soon became apparent that many small communities could not satisfy the new requirements with their existing wastewater lagoons. Two Utah Water Research Laboratory scientists met this need by developing a sand filter as a finishing treatment to upgrade lagoon effluents and meet the new standards. This system provides a simple, reliable, low-cost method of upgrading for communities with few financial resources. This same technology has also proven to be very useful for the treatment of drinking water sources. With new technology developed by the scientists at the laboratory, small communities that already have the sand filters in place can further reduce their maintenance costs and provide even greater pollutant removal.

Virginia

Sediments and nutrients running off of agricultural lands are the primary cause of declining water quality in the Chesapeake Bay. To counteract this problem the state of Virginia has instituted a cost-sharing plan with farmers to promote the planting of vegetative filter strips. In order to be sure that this technique, which had previously been shown to be effective under controlled conditions, was also operable in the "real world", the Virginia Water Resources Research Center sponsored an evaluation study. With their findings conservation officials can improve their administration and inspection, ensuring a cost-effective program.

Washington

A major effort is being mounted within the Pacific Northwest to restore and protect the Puget Sound, one of the country's valuable estuaries. Research sponsored by the State of Washington Water Research Center in 1987 will determine an appropriate modeling approach to describe the basic tidal hydraulics and transport characteristics of the central Puget Sound. This new approach will enable managers to better predict circulation exchange and contaminant movement. In contrast to some public conceptions, there is not an overabundance of water in the Pacific Northwest and in the state of Washington. The Washington Center is addressing the issue of water conservation in irrigated agriculture by funding research to develop computer-based irrigation scheduling. Properly timed irrigation which applies the correct amount of water could reduce the amount of energy used to pump water, boost the state's electrical generation, increase soil conservation, and reduce surface and groundwater contamination.

Wisconsin

Increased navigation on the Upper Mississippi River that may result from the installation of a new downstream lock and dam prompted the Wisconsin Water Resources Center to fund the creation of a computer database to facilitate research on biological and water quality questions. The increased commercial traffic volume, which is expected to double in the next 20 years, creates the region-wide problem of maintaining the navigability of the river while preserving its ecological integrity for the citizens who live along its banks and depend on its economical value for their livelihoods.

Wyoming

One of the greatest dangers to water resources is posed by pollution sources that release complex mixtures containing many hazardous chemicals. In a research project funded by the Wyoming Water Center, the movement of a complex mixture of organic compounds emanating from a wood-treatment

facility located adjacent to the Laramie River in Laramie, Wyoming is being tracked in ground and surface water.

A Continuing National Investment

Congress displayed wise and strong leadership with its passage of the original Water Resources Research Act of 1964, Public Law 88-379. For the first time there was a national network of water researchers that could focus on the national, regional, and state water problems of our nation's citizens. Because of this initial investment, the state water institutes and their associated universities could provide real leadership in solving our nation's water concerns and problems.

Passage of the Water Resources Research Act of 1984, Public Law 98-242, provided for a formal, vigorous, and regular evaluation of each Water Institute by the overseeing agency, the U.S. Geological Survey. This action was taken to insure that only high quality research that would continue to be relevant to the needs of the citizens providing the resources would be funded. This procedure, which was set up under Section 104, accomplishes many of the same purposes as university accreditation and program reviews. In addition, while this evaluation is taking place, a valuable interchange is also occurring between the parent federal agency, the U.S. Geological Survey, and the Institutes that are being reviewed.

The required dollar for dollar match, and ultimately the two for one match under Section 104, has provided a true federal-state cooperative effort to address critical water issues, with non-federal elements carrying an increasingly larger share. However, there is some concern that this two for one match may cause some smaller Institutes to cease to exist, thereby losing their regional input. There is a strong feeling among the Institutes, although by no means unanimous, that the match be made at no more than one state dollar for each federal dollar.

As citizens and taxpayers of this nation, we understand that resources are limited and therefore we are making our recommendations at amounts considerably below authorized levels. However, we also believe that ignoring water issues will not resolve them. These problems cut across state lines and demand regional and national support and cooperation. We believe that the federal government has a responsibility to help solve the nation's water problems.

Recommendations

* We respectfully request that the Institute program under Section 104 of Public Law 98-242 be funded at $10 million, thus allowing each Institute $185,000 for the coming year. We also recommend that the required 1:2 federal to state match be reduced to 1:1 so that the state-federal cooperative effort that has been so effective may continue.

* We request that the U.S. Geological Survey be funded at $1.1 million, so that they may continue their important management and oversight functions. This amount will allow for the continuation of the vigorous evaluation of each of the Institutes which is underway and aid the Institutes in continuing to coordinate regional and national research priorities and information retrieval systems.

* A $10 million appropriation is requested to implement Section 105. This competitive matching grant program is open to any qualified educational institution or private research group. The proposals that are funded with this appropriation are directed toward issues that are of national interest and scope. Each proposal is extensively peer

reviewed and each funded federal dollar must be matched by a corresponding non-federal dollar.

* Section 106 provides an opportunity not only for academic institutions, but also for the private sector to propose research into such high priority areas as demineralization, reuse of impaired waters, and desalinization of brackish waters. We recommend that $2 million be provided in the appropriation to activate Section 106 and begin this important research into the separation of water from contaminants.

These monies that we are recommending will assure a continuation of a coordinated, nationally relevant water research program as an investment for our citizens' future. On behalf of James Warman, Archie McDonnell and all of the members of the organizations we represent, I thank you for the opportunity to appear before you.

STATEMENT OF PROFESSOR RONALD F. LABISKY, CHAIRMAN, FISH AND WILDLIFE COMMITTEE, NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

I am Ronald F. Labisky, Professor and Chairman of the Department of Wildlife and Range Sciences at the University of Florida, and Chairman of the Fish and Wildlife Committee of the National Association of State Universities and Land Grant Colleges (NASULGC). With me today is the Vice Chairman of the Fish and Wildlife Committee, Professor Donald R. Progulske, who is Coordinator of Fish and Wildlife Programs at the University of Massachusetts. We also represent two additional organizations—the National Fish and Wildlife Resources Research Council and the Association of University Fish and Wildlife Program Administrators. Our purpose today is to testify on behalf of the 149 institutions that comprise the National Association of State Universities and Land-Grant Colleges. The administrators, scientists, and educators in the Association are vitally concerned about the future of the fish and wildlife resources of the Nation.

We are here to express our concern about the lack of a research base to underpin the development of critical fish and wildlife management policies. At stake are the Nation's irreplaceable estuaries, wetlands, coastal beaches, rivers and lakes, farmlands, rangelands, and forestlands—and associated fish and wildlife resources. Conflict resolution wrought by impacts of agriculture, forestry, industry and urban development on fish and wildlife, and their habitats, will accelerate precipitously in the years ahead. Research to provide intelligent and rational management is enormously difficult; yet, it is also critical with respect to providing a base for policy decisions. We cannot meet our growing research challenges effectively if we are forced to rely on the current level of funds available to resource agencies and institutions. Fish and wildlife research has been, and continues to be, a forgotten component in national policy! The priority need, therefore, is not only to insure the effective application of existing agency and institutional funding, but also to supplement that funding in a cost-effective manner. To this end, we respectfully recommend two pathways for expediting fish and wildlife research: the appropriation of additional funds to support the time-tested and productive mission-oriented research of the Cooperative Fish and Wildlife Research Units; and the appropriation of funds to support a competitive-grants program for expanded research on fish and wildlife.

In the mid-1930's, Congress fostered and was instrumental in the surge of the conservation movement by passing such legislation as the Migratory Bird Hunting Stamp Act and the Federal Aid to Wildlife Restoration Act, and by expanding the Migratory Bird Treaty to include Mexico. These efforts led to the realization that a large cadre of trained professionals is required to provide effective programs for the management of our Nation's fish and wildlife resources. As a result, Congress, in its wisdom, supported initiation of the Cooperative Wildlife Research Unit Program in

1935 as a vehicle for furthering our knowledge base for managing fish and wildlife resources, and for the training of professional wildlife scientists.

Since its inception more than 50 years ago the Cooperative Unit Program, a partnership involving federal, state, and university entities, has been extremely successful in responding to research needs at federal, regional, and state levels. Management of the Nation's fish and wildlife resources today is based to a large degree on knowledge derived from research performed at the various Cooperative Units. The flow of knowledge was substantially increased in 1960 when the Unit Program was enhanced by the addition of the fishery units; up to that time efforts were directed only toward wildlife problems.

Presently, there are 36 units, located at 33 universities in 31 states. This is a truly cooperative program--state fish and wildlife agencies contribute aboout $3 million and the associated universities provide approximately $2.5 million of in-kind contributions each year. The importance of the Unit Program was underscored by Congress when it, acting on the request of the Unit cooperators and other Conservationists, restored federal funding for these Units in FY82, FY83, and FY84. Even though the budget for the Units was restored by Congress in each of those years, the maintained status quo level of funding has resulted in a 25% reduction of scientific personnel from the previous fully-staffed program. Thus, despite the acceleration of problems in fish and wildlife issues, the Unit Program, in real terms, has been substantially diminished in operational scope and capability.

The Cooperative Unit Program is uniquely strong because the Units have access to the diverse pool of scientists available on university campuses. This is a feature that most federal or state laboratories do not have. Another major attribute of the Unit Program is the favorable research returns accredited either singularly or jointly to the organizations participating in the 3-way partnership. By pooling contributions, facilities, and expertise, Cooperative Research Units can perform research that any one of the participating organizations could not do alone. We strongly recommend that the Fish and Wildlife Service's budgetary contribution for FY88 be increased from $4.9 million to at least $5.5 million in order to restore capacity to the productive programs of the Cooperative Research Units.

The point we wish to underscore is that the scope of problems and challenges in fish and wildlife research, upon which management is dependent, far exceeds the current capacities of resource agencies and institutions. To illustrate, fish and wildlife issues are a major component of many emerging national issues, such as clean water, acid rain, toxic pollutants, soil erosion, cropland conversion, "sodbuster" and "swampbuster" programs, range rehabilitation, and reforestation. And, the people of the United States recognize fish and wildlife as a major asset--economically, recreationally, socially, and environmentally. A further critical point in this scenario is that the fish and wildlife profession, because of immediate necessity and a short-fall of research monies, has directed the major portion of its research toward "brush-fire" issues. This approach has precipitated a critical demise in both basic and long-term research in fish and wildlife, which can only reduce our scientific readiness in being able to respond effectively to future problems.

Currently, there is no focal point for obtaining funds for basic or long-term research in fish and wildlife. The National Science Foundation funds some basic ecological research in fish and wildlife, but only in a limited way. And, the Fish and Wildlife Service, Forest Service, and Bureau of Land Management have their own priorities for research, most of which is directed toward land-management strategies. Mr. Chairman, we believe that there is a very cost-effective opportunity to enhance this Nation's capacity for much-needed basic research in fish and wildlife.

The academic institutions of this Nation are the only major public-service institutions with a mandated research mission that do not have a sustained funding base directed to fish-and-wildlife-related research. This means that we have a large pool of scientific talent and facilities in our Nations's colleges and universities that is not being deployed to solve critical problems impacting our fish and wildlife resources.

To focus on these national issues and provide needed basic understanding, we need to tap the existing pool of ecological scientists within university, agency, and private communities. We suggest that a competitive-grants research program in fish and wildlife be initiated at an appropriation level of $10 million. Such a program is already authorized by section 5 of Public Law 950-307, the Forest and Rangeland Renewable Resources Research Act of 1978. Under this Act, fish and wildlife resources are identified as value components that would benefit from appropriate research. The program would be administered through the Office of Competitive Grants, Cooperative State Research Service, U.S. Department of Agriculture. Grants would emphasize basic and applied research activities important to achieving effective fish and wildlife planning and management programs. Grants, as authorized by the Act, will further research activities of federal, state, and other governmental agencies, public or private agencies, institutions, universities, and organizations, and businessess and individuals in the United States, and shall be obtained through review by qualified scientists and other methods.

Community ecology in fish and wildlife could serve as the central theme of a competitive grants program because the understanding of inter-relationships of fish and wildlife with their environments is fundamental to effective natural resources managment. As the pressure for expanded uses of our Nation's natural resources becomes more acute, it becomes increasingly important to gain scientific knowledge relating to the impacts of human activities on valuable fish and wildlife resources, especially those in unique and sensitive ecosystems.

We assure you that our colleagues in the state universities throughout the country support our position that the fish and wildlife resources of this Nation cannot be safeguarded adquately without accelerated research funding. Thus, on behalf of the National Association of State Universities and Land-Grant Colleges, we ask that you increase the funding level for the Cooperative Fish and Wildlife Research Units from $4.9 to $5.5 million, and that you provide a $10 million competitive-grants program to support research on fish and wildlife.

STATEMENT OF DAVID B. THORUD, DEAN, COLLEGE OF FOREST RESOURCES, UNIVERSITY OF WASHINGTON REPRESENTING THE NATIONAL ASSOCIATION OF PROFESSIONAL FORESTRY SCHOOLS AND COLLEGES

I am David B. Thorud, Dean of the College of Forest Resources, University of Washington. This testimony is offered in my capacity as President of the National Association of Professional Forestry Schools and Colleges (NAPFSC) - an organization that represents 62 university-level research, extension, and instruction programs. We appreciate this opportunity to comment on the Fiscal Year 1988 budget proposals for forestry research - an issue of vital importance to our nation.

The United States ranks third among nations in commercial forest land and first in industrial timber production. Commercial forests in the United States cover 482 million acres. An outstanding characteristic of this vast resource is its local and regional diversity. Forests differ greatly in species, productive potential, and location with respect to population centers. The vast southern pine belt differs significantly from the northern hardwood region. Neither is comparable to the stately Douglas-fir areas of the Pacific Northwest or the forested mountains and

extensive range land of the Intermountain West. This biological, climatic, and topographical diversity necessitates management strategies and research programs specifically tailored to regional and state needs and opportunities.

The diversity of the nation's forest resources extends to forest land ownership as well. Private nonindustrial landowners, including farmers, hold over half of the commercial forest land in the United States.

Diversity is also a key characteristic of the array of goods and services provided by America's forest resources. Forest-based tourism and recreation are the primary local industries for many communities and contribute significantly to the national economy. Water, wildlife, and domestic animals are also important products of our forests and associated range lands. All major rivers in the West and most in the East have their origins in forested mountains.

In terms of jobs and direct economic contributions, the most important product from our forests is wood. Our vast forest resources support one of the nation's major industries, forest products. The tonnage of wood handled each year by this industry exceeds the annual tonnage of steel, aluminum, cement, and plastics combined. And the advantage of wood over other materials is that it is a renewable resource. Properly managed, it will never be depleted.

The forest products industry adds about $62 billion to the value of the U.S. economy each year, which represents 7.5 percent of the total value added in all manufacturing. Forest products companies also employ 1,745,000 people in jobs as diverse as the industry itself. This represents 9 percent of all the people employed in U.S. manufacturing, or 1 out of every 11 employees.

Forest products will become even more important in the future. World demand is expected to grow in the decades ahead, and timber growing stock in the United States is projected to increase as well. U.S. forest products can be manufactured at costs that are competitive throughout the world. A report on wood by the Congressional Office of Technology Assessment states that "The United States is well positioned to satisfy both domestic and a major share of future global forest product requirements."

The key to future expansion will be the health and vitality of the forest resource. Forestry research and extension play essential roles in helping ensure that consumer costs are kept low and export opportunities can be met without jeopardizing the other important values of the forest.

Forestry research is a cooperative venture among scientists from many disciplines employed by a variety of federal, state, and private organizations. However, scientists of the U.S. Forest Service and the nation's universities are the key part of America's forestry research program. Their projects range from fundamental studies of the chemistry of wood cells to practical evaluations of intensive timber management. Forestry research is coordinated by the U.S. Forest Service and universities through a cooperative network of planning groups and advisory councils, which ensure maximum productivity of the research effort and of the forest resources themselves.

In addition to these national planning efforts, more detailed and localized coordination is done through four regional planning groups, whose planning areas coincide with those used by all other science and education agencies.

The private sector also gets involved in various planning efforts, which provides at least two principle benefits:

1. They help the U.S. Forest Service and forestry schools focus research programs on the most important questions.

2. They facilitate the transfer of technology from research results to on-the-ground applications and implementation by mobilizing information to solve real problems.

I wish to express the genuine concern of the nation's forestry schools over the proposed reductions in the Forest Service research budget for FY 1988.

In FY 1987, funding for Forest Service research totaled $128.9 million. The 62 forestry schools of the nation have a research budget approaching $80 million from all sources. About $10 million comes from the Forest Service in the form of Cooperative Agreements. These two programs, the Forest Service and the 62 forestry schools, account for essentially all the publicly supported forestry research in the United States.

The 1988 budget proposal contains an 11% or $6.7 million reduction in funding from FY 1987. This is $13.7 million (10 percent) below the FY 1988 Base and $20.1 million (14 percent) less than the FY 1988 Agency Request. A reduction of this magnitude will have a major impact on the nation's forestry research program and will detract from productive cooperative efforts between the Forest Service and forestry schools. These proposed reductions come on top of up and down budgets over the past five years, but reflect a general decline over time. This decline has occurred during the same period when other USDA research programs have been increasing. For example, from 1981 to 1987 the Agricultural Research Service budget increased by 27% including a 7.3% increase for FY 1987. But the Forest Service research budget has declined by 15 percent for the same period.

We recognize that the federal government is grappling with a severe budget problem; however, given the high priority that this administration has placed on the importance of the U.S. maintaining a competitive edge relative to the rest of the world--a goal we can all agree with--the Forest Service research budget should be given high priority.

We were particularly pleased with the support given to forestry research in the form of a $7.84 million competitive grants program specifically designated for forestry research in FY 1985. However, we are concerned about the erosion of the program to $6.0 million in 1987. This program is part of the research budget of the USDA-Forest Service, but the funds are being managed by the Office of Grants and Program Systems. We urge that the program be supported at the $8 million level as part of a restored Forest Service research budget of $142.3 million.

The Competitive Grants Program focuses on high priority basic research and is open to all qualified scientists. During its first year, only 54 of 464 proposals totaling $87.6 million were funded from the appropriated $8 million. The percentage funded was the lowest of all competitive grants programs in USDA. Interest on the part of investigators remains high.

We believe that our proposed budget for competitive grants has the potential to provide large returns. For example, publicly supported research on the softwood plywood industry yielded a marginal rate of return of 292% on the investment between 1950 and 1980, according to a recent study by Duke University. Of course, not all research investments will provide such a substantial return, but additional basic

research on tree improvement, biotechnology, wood chemistry, and other subjects holds the promise of significant gains and will help forestry remain competitive.

Thank you for the opportunity to present our recommendations on the restoration of the U.S. Forest Service research budget to $142.3 million, including restoration of the Forestry Competitive Grants Program to $8 million.

Statement of Margaret B.N. Melcher, Mayor, Buena Vista, CO

As Mayor of the Town of Buena Vista, Colorado, I have a deep interest in urban forestry. I am concerned about the proposed appropriation for the urban forestry line item in the USDA Forest Service 1988 budget. I believe that it is essential to maintain funding levels at $2,000,000.00 for this important project.

Although the funding level for urban forestry has been minimal, the benefits of the efforts have beren significant. For example, in Buena Vista, Colorado State Forest Service technical assistance has been used for a tree removal/pruning/replacement program to be implemented in a few weeks; planning windbreaks around our rodeo grounds; and identification of various insect problems which have plagued some of our trees in the past two or three years. The benefits of this project for Buena Vista have been great.

Research done to benefit urban forestry efforts is also a very important part of the improving the quality of life for residents in cities and towns. This funding is part of the Forest Service's Forest Recreation Research budget, and not a separate line item. We feel this research has been very valuable and request the funding be maintained at last year's level of at least $1,000,000.00.

Thank you for this opportunity to submit a statement for the record.

Statement of Cherilyn E. Widell, Executive Director, National Alliance of Preservation Commissions

The National Alliance of Preservation Commissions strongly supports funding the National Historic Preservation Program at the following levels:

60 Million, State Historic Preservation Offices and Certified Local Governments

5.925 Million, National Trust for Historic Preservation

8.611 Million, NPS Cultural Programs

1.734 Million, Advisory Council on Historic Preservation

0.150 Million, U. S. ICOMOS

Our national heritage is being destroyed. Because of a lack of adequate funding, the National Historic Preservation Program as outlined in the National Historic Preservation Act has been seriously eroded and is approaching total collapse. Every day scores of buildings and archaeological sites listed on the National Register of Historic Places are being demolished. They are not being demolished because people do not care or recognize their importance. They are being demolished because local people do not have the help that is needed to make the case to rehabilitate them for new uses. Help in

the form of money and technical expertise is needed at the local level to convince developers, non-profit organizations, and local government officials that preservation makes sound economic sense.

Across the country, small towns and large cities have been revitalized and become centers of business and tourism once again because old buildings have been returned to new uses. Preservation, once considered anti-progress, has proven to be a futuristic economic development tool. Who would have thought ten years ago here in Washington, D.C. that the Willard Hotel, a rotting pigeon-ridden hulk, could be returned to its former splendor? Because people and resources were available to make the case against demolition, the Willard Hotel was saved to benefit the economic development along Pennsylvania Avenue.

That story has been repeated hundreds of times nationwide with the Union Station in St. Louis, Missouri, the Kroehler Furniture Factory in Naperville, Illinois, the Union Station in Tacoma, Washington, among many others. Even Carnegie Hall in New York City, slated in the 1960s for a high-rise, was saved, and today once again has joined the ranks of one of the finest music halls in the world. Not only do these projects increase the local tax base and contribute to local economic development efforts, they also protect the local heritage of a community, much like UDAG Projects Preservation projects often are the seed for urban projects which regularly leverage at least eight to ten dollars for every one dollar of Federal participation.

Still, daily, buildings listed on the National Register of Historic Places are being demolished. Most are government and non-profit buildings which do not qualify for the Rehabilitation Tax Incentive programs.

- In Evanston, Illinois, the headquarters of the National Women's Christian Temperance Union, listed on the National Register of Historic Places and as a local landmark, is severely deteriorated, in need of a restoration plan and rehabilitation funds, and yet there is not one Federal dollar available to help save this very important Evanston landmark. Nor are there funds available to help the Charles Dawes House, a National Historical Landmark, home of the local historical society, or the city-owned Evanston Art Center which needs to be rehabilitated. There are no funds available to provide the Rotary International Headquarters, contemplating a major addition to their current building, with an incentive not to demolish half a block of adjacent buildings listed on the National Register.

- If funds had been available, the 1902 Casino Building in the Ravinia Festival Historic District in Highland Park, Illinois might not have been demolished.

- In Lordville, Wayne County, Pennsylvania, the Equinunk Suspension Bridge, one of only three of its type in the state, is slated for demolition because there are no restoration funds, even though it could be repaired economically and to meet safety standards, according to the Pennsylvania Department of Transportation.

- In Carbondale, Pennsylvania, the City Hall is in need of rehabilitation funds, but there are none available.

- In Braddock, Westmoreland County, Pennsylvania, the Carnegie Free Library, the first ever constructed and a National Historic Landmark, is threatened with demolition because of lack of funds for needed repairs.

- In Lamont, Center County, Pennsylvania, the Art Alliance Building and in Latrobe, Westmoreland County, Pennsylvania, the St. Vincent's Arch Abbey are in need of funds.

- In Springfield, Massachusetts, half of the Indiana Motorcycle Factory in the Winchester Square Historic District was demolished because no funds were available for a structural/environmental report, and although plans are being developed for the remaining part of the complex, its fate is uncertain. An adjecent brick freight depot was demolished because no restoration funds were available.

- In Enumclaw, Pierce County, Washington, despite strong local sentiment, the Enumclaw High School, listed on the National Register, was demolished because there were no funds available to the Board of Education for adaptive reuse of the building.

- In San Diego, California, the Mission Beach Roller Coaster stands idle because there are no funds to make it roll once again, and the nearby Mission Beach Plunge is threatened with demolition because there are no funds to help with restoration of this San Diego landmark.

- In Balboa Park in San Diego, the Administration Building is threatened with demolition because of a lack of funds, and the San Diego County Administration Building and Padre Diem, a National Historical Landmark, a waterworks constructed with Indian labor, are in need of repairs.

- In Starke County, Ohio, there are no funds to rehabilitate the Starke County Courthouse, listed on the National Register in 1975, and no local funds are available to do the job.

Across the country, these stories are being repeated hundreds of times. Buildings listed in the National Register of Historic Places are being demolished because local people do not have the help they need from the National Historic Preservation Program, a program designed to protect this country's architectural and historical heritage.

The Masonic Temple in Charlotte, North Carolina, one of three Egyptian Revival buildings in the state, is slated for demolition this summer. In Cobb County, Georgia, the Ruff's Mill and Concord Covered Bridge are threatened. In Atlanta, Georgia, the Biltmore Hotel, Farlinger Building, and Imperial Hotel are being threatened. In Albany, New York, several city blocks are being demolished for a Civic Center right now. In Hartford, Connecticut, the Goodwin Building is being demolished for a parking lot.

Exact figures of how many National Register sites are lost each year are not available because neither the state historic preservation offices or the National Register have the staff to monitor the protection of these structures.

Without money and technical expertise, local people cannot compete with proposals for heavily-funded glitzy projects to take the place of old buildings in their towns and counties. For the past five years, in fact, there has not been one Federal grant dollar available as an incentive to rehabilitate rather than destroy old buildings. The level of funding to the state historic preservation offices and the National Trust for Historic Preservation has meant an ever-dwindling amount of services, information, and education for local people.

The National Alliance of Preservation Commissions represents over 1,200 local landmark commissions, historic district commissions, and boards of architectural review, which protect landmarks and historic areas through local legislation. We are the local people who need the help. We are the ones who must make the convincing arguments to save these buildings because the Federal Government has no power to save them except through offering incentives.

We need incentive grants to convince local governments not to demolish city halls and county courthouses. We need technical expertise and incentives to work with non-profit organizations which cannot take advantage of the rehabilitation tax credits to convince them not to demolish their buildings.

Since 1985 over three hundred local governments have become partners in the National Historic Preservation Program by becoming Certified Local Governments (a list is attached). These local governments have made a strong commitment to identifying and protecting historic resources in their own communities. They need a strong commitment to the National Preservation Program from Congress. But, because of inadequate funding of the Historic Preservation Fund, only an average of $30,000 per state is available to local government participants in this program.

Even with this very limited funding, the communities of Elgin, Evanston, and Highland Park, Illinois, Winchendon, Massachusetts, Tacoma and Steilacoom, Washington, Oregon City, Oregon, and San Diego, California are participating in the program in hope that they will receive the information and help to protect the important local landmarks and districts of their communities.

Do we have a National Historic Preservation Program? From the local perspective, we are really beginning to wonder. If we continue at the present level, we won't have a program for very long.

As we said in the beginning of our testimony, buildings listed on the National Register are being demolished. State historic preservation offices have had to cut their staffs to three or four people. That means that there can be no money spent for local education and technical assistance. Shall the State Historic Preservation Officers and the National Trust for Historic Preservation shut their doors? Shall we admit defeat and let historic preservation happen by chance? Or does our national heritage deserve the attention and the funds we believe it does deserve?

Statement of Rindy O'Brien, The Wilderness Society

Mr. Chairman, members of the Subcommittee, The Wilderness Society appreciates this opportunity to offer our views on the FY' 88 Budget needs regarding public land protection. The Wilderness Society, speaking on behalf of over 160,000 members, commends the Committee for its past efforts and action in achieving a balance of funding for important conservation programs. Important programs like the Land and Water Conservation Fund, wilderness protection on Bureau of Land Management lands, and increased funding for stewardship programs under the Forest Service budget would have been neglected without the perseverance and vigilance of this subcommittee.

I will focus my testimony today on the highlights of written testimony submitted by several Wilderness Society experts. I ask the permission of the Subcommittee to submit

as part of my testimony written statements by Norbert Riedy on the Bureau of Land Management's budget, Steven Whitney on the National Park Service's budget, and William Reffalt on the Fish & Wildlife Service's budget. Joining me today to present oral testimony is Barry R. Flamm, The Wilderness Society's Chief Forester, and Jean Durning, The Wilderness Society's representative from Seattle, Washington.

The Wilderness Society and 11 other environmental organizations, many of whom have testified throughout today's hearing, submit to the Subcommittee today its FY'88 Conservation Alternative for the Land and Water Acquisition Fund. As conservationists, we have thoroughly surveyed the country's land needs focusing on federal parks, forest, refuges, and BLM lands that require purchase in this fiscal year. The top priority projects we have identified requires an appropriation of approximately $487 million.

Our proposal lists approximately 200 projects in 45 states and 4 territories where there is an immediate and urgent need to acquire lands vital to the integrity of our country's public outdoor domain. In addition to the federal acquisitions, the proposal requests $200 million be available for the state assistance program.

The Christian Science Monitor said it best last year when it wrote that "Not every American has a Camp David - or even just a pocket of land, woods, or fields in a natural state - which he can repair to." Most of us are not fortunate enough to have presidential retreats for our weekends to get back in touch with the serenity of nature. But, many Americans can and do take the opportunity to use our parks, forests, and refuges whenever possible, and the American public's appetite for the natural outdoors continues to grow, along with the need to increase our recreational base.

For that reason, I am disappointed by the President's continued moratorium on land acquisition in the FY'88 budget. The President's own Commission of Americans Outdoors only months ago drafted a resolution that called for an absolute minimum of $1 billion to be spent by federal, state and local governments each year on acquiring, developing and protecting open spaces. The Conservationists' proposal for FY'88 illustrates where federal acquisition is needed this year to acquire all kinds of lands for easements along riverways like the Lower and Upper St. Croix in Wisconsin; for habitat protection areas, home for animals like the desert tortoise; green corridors along the Lower Rio Grande River; and recreational lands outside urban areas, like the Santa Monica Mountains.

Mr. Chairman, over 80% of the Fish and Wildlife Service Land Acquisition needs list involve areas important to one or more endangered or threatened species. The other projects include lands that are severely threatened, areas containing nationally significant habitats and wildlife or highest priority refuge inholdings. Timely acquisition is often a means of relieving hardship on land owners patiently waiting to sell to the government.

We appreciate the constraints the Subcommittee faces in realistically being able to fund the LWCF program at the billion level. The subcommittee must grapple with the government's responsibility to reduce the huge budget deficits. However, an appropriation of $487 million -- less than half the amount cited by the President's own Commission -- could protect vital projects across the nation. I urge you to take into consideration the face that we run the risk of losing these projects forever if the LWCF does not receive substantial funding year in and year out.

For national parks, we would like to highlight the need for a strong program of natural resources management and scientific research. Such a program is critical to ensure the Park Service has the necessary information and expertise to protect the integrity of the resource base in perpetuity.

Mr. Chairman, as you know, there is a tremendous backlog of identified priority research and resource management projects in this nation's parks. These are the projects which have gone largely unfunded under the present Administration. This trend must be reversed.

In March of 1986, the regional offices of the National Park Service each identified the 100 highest priority resource management projects that will not be funded from existing sources. The Park Service estimated that these 1,000 top priority projects require new funding sources totaling over $121 million over 5 years.

This documented need differs markedly from the $7.6 million FY'88 request for natural resource management project funding under the Natural Resources Preservation Program. Therefore, we recommend that the Natural Resources Preservation Program fund should be increased by $18 million to a total of approximately $25 million this year.

As for the Fish & Wildlife Service program, it is important to note that the proposed rescissions in the Resource Management and Land Acquisition accounts are without merit and threaten to needlessly diminish the on-going commitment of this nation to our fish, wildlife and habitat resources. The Wilderness Society urges that the proposed rescissions in Refuge Operations and Maintenance and Land Acquisition programs be rejected by this Subcommittee.

Attempts by the Administration to cut programs and to imply that "base funding" is adequate to meet pressing needs for endangered species recovery and refuge operations should be rejected because they misrepresent the needs and threaten to diminish management efforts to unacceptable low levels.

In the past we have sought the Committee's attention regarding the proposed cuts in accelerated refuge maintenance and management (ARMM) and we would hope that the committee will recommend ARMM funding at the calculated FY88 base level. As you know, this program helps to assure public and employee safety by assuring that necessary refuge equipment, facilities and structures meet performance standards.

The Wilderness Society remains an outspoken advocate

of increased spending by the Bureau of Land Management for the protection and management of its wilderness and wilderness study areas. The fact remains that the "wilderness leasing rider" which bans mineral leasing in wilderness areas and wilderness study areas has played a vital role in preserving Congressional prerogative to designate wilderness. Once again, we recommend continuation of this ban, which affects less than four percent of all national forest land and less than eight percent of the total BLM lands.

Mr. Chairman, Congress increased the funds available for protection of BLM wilderness and wilderness study areas in FY'86 and held steady the funding last year. Specific direction in the bill report concerning use of the additional funds allowed the BLM professional staff to use those funds for protection activities. We urge you to continue to stress the importance of protecting WSAs and recommend that you specifically direct adequate funds to the Bureau's protection and monitoring efforts.

Finally, The Wilderness Society would like to bring to the Committee's attention our growing concern over land exchanges proposed by various federal agencies. In the past the Subcommittee has approved language that prohibited the use of Interior funds to "sell or exchange" or to propose to sell or exchange lands owned by the United States within a unit of the U.S. National Wildlife Refuge or the National Park Service. We urge the Subcommittee to once again adopt this important provision, in light of the ever increasing environmental concerns over exchanges.

There remain only a few months before it may be too late for the fate of the Arctic National Wildlife Refuge (ANWR) exchange. Negotiations continue to move ahead on proposals to swap state and Native corporation land for oil and gas rights in ANWR. In developing the ANWR land exchange that could be finalized as early as June, the Interior Department has totally ignored a provision authored by this Subcommittee during the FY' 85 Interior Appropriations Bill, which required that the committees of jurisdiction be consulted before exchanges are proposed. The hour is growing late for effectivw consultation with Congress, and we urgently request that this Subcommittee prohibit the expenditure of funds for the pursuit of the ANWR exchange.

Mr. Chairman, I appreciate the opportunity to bring these important public land budget issues to the Committee's attention.

STATEMENT OF RICHARD E. ABBOTT, PRESIDENT, ACRT, INC.

This written testimony is to support the proposed $2.0 million **Urban Forestry** appropriation line item in the 1988 USDA Forest Service budget.

As president of ACRT, Inc. Environmental Specialist and a past president of the International Society of Arboriculture, Inc., I am familiar with urban forestry on a national and international basis. ACRT is the only

business providing national urban forestry consulting and technical services.

The benefits of the current minimal level funding of urban forestry have been very significant. There is greater awareness of the benefits and value of trees and other vegetation to the quality of life in the urban/suburban environment than at any previous time in my 34 year career.

In the past, I have not always supported the Urban Forestry appropriation requests because of previous utilization of the funds. At this time, I feel the taxpayer is getting full value and significant benefit from the funds expended. Therefore, I urge you to continue the program.

LETTER FROM BETSY A. CUTHBERTSON, DIRECTOR OF GOVERNMENT AFFAIRS, AMERICAN SOCIETY OF LANDSCAPE ARCHITECTS

5 March 1987

The Honorable Robert C. Byrd
Chairman, Senate Appropriations
Subcommittee on Interior
114 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

The 9,000 members of the American Society of Landscape Architects (ASLA) -- a professional organization concerned with the design, planning, and management of our natural and built environments--are concerned about the levels of funding proposed by the Administration for several important environmental programs.

Urban Forestry: ASLA is disturbed at the attempt by the Administration to eliminate funding for the USFS Urban Forestry Program. The members of ASLA are cognizant of budget deficit problems and are realistic about the level of federal support available for programs such as this.

Nonetheless, ASLA believes the FY 87 level of spending for the Urban Forestry program to be modest by any standard, and deserves to be matched in FY 88. Not only is research on urban forestry an important function, but the technical assistance provided under the program can do much to help cities bring back a semblance of ecological balance too often ignored in the development process.

An important environmental benefit of the Urban Forestry program is the increased use of trees in the urban landscape. Significant improvement in the quality of wildlife habitats and human comfort are the primary benefits that result from these efforts. ASLA is concerned that urban growth shows little sign of slowing down. Our policies promote the wise use of resources to effectively manage such growth. Rather than futilely attempting an absolute restriction on development, the Urban Forestry program has merit as a mechanism for assuring that development does not forsake the larger needs of the urban environment.

Historic Preservation: ASLA is concerned about the preservation of significant historical resources across the country. The Administration budget request for zero funding for Historic Preservation Fund grants cannot be justified. ASLA is aware of needs reaching $60 million annually. Clearly, needs not met in the budget will be exacerbated by delay and, of course, new needs will occur on a continuing basis.

ASLA is pleased to note that the budget does call for a modest increase in the cultural resource management program, to a total of $6.2 million. However, the National Park Service historic resource base demands even a higher level of attention than this: needs have been documented for as much as $18 million annually to stabilize important resources under direct NPS control.

Land acquisition: ASLA is troubled by the repeated attempts of the Administration to eliminate funding for state land acquisition and development efforts under the Land and Water Conservation Fund Act. While the budget deficit pressures suggest a more limited level of funding for the state program than enjoyed in some earlier years, the FY 87 level should be maintained for FY 88.

Even more troubling is the FY 88 budget proposal for federal land acquisition. The $6.1 million proposed is indefensibly low, even in light of the need for budgetary restraint. ASLA can support only a level of spending at least equal to FY 87. ASLA notes that the rescission request for FY 87 funds would cripple ongoing efforts and we urge its disapproval.

Construction: The development and stabilization of park system resources are areas where our members have unique expertise both inside and outside of the Service. ASLA believes that the FY 88 budget request of $19.3 million is unrealistic when the staggering needs of the National Park System are considered.

ASLA believes that at least $100 million of needs are piling up annually and that these must be addressed in a timely manner. To emphasize the short term bottom line and ignore the long term is penny wise and pound foolish: the pressing needs will come back to haunt the system's users and administrators in the not too distant future.

Federal land highways: The fate of the Federal Lands Highway Program is uncertain because of the incomplete action on the highway reauthorization bill. ASLA is aware of the staggering needs especially in the National Park System for these funds and urges that funds be made available for FY 88 as the Senate version of the reauthorization would allow.

Sincerely,

Betsy A. Cuthbertson
Director of Government Affairs

Statement of the National Cattlemen's Association and Public Lands Council

The National Cattlemen's Association and Public Lands Council appreciate this opportunity to testify on the FY 1988 budget request for the Department of the Interior and Related Agencies.

The National Cattlemen's Association is a non-profit trade association representing approximately 230,000 professional cattlemen throughout the nation, including individual members, 48 affiliated state cattle associations, and 23 affiliated national breed organizations. The Public Lands Council represents the 27,000 western ranchers who graze cattle and sheep on federal lands in 13 western states, and is also supported by the National Cattlemen's Association, National Woolgrowers Association, and the Association of National Grasslands.

Our request is simple--to ask that this subcommittee and the full committee resist any attempt to increase federal grazing fees via the appropriations process. As you know, last February President Reagan signed and issued an Executive Order continuing the existing grazing fee formula, with a floor of $1.35 per Animal Unit Month (AUM). The Executive Order replaced the former statutory formula, which expired on December 31, 1985. NCA and PLC support the present grazing fee formula and feel it is equitable.

The grazing fee formula has always been controversial. Among other things, critics contend that it does not reflect fair market value. However, when Congress enacted the Public Rangelands Improvement Act (PRIA) in 1978, it clearly stated that the grazing fee formula equalled fair market value, and added that it should "prevent economic disruption and harm to the western livestock industry". The PRIA formula measures beef production costs, private land lease rates, and the price of cattle, and goes up or down annually depending on market conditions. When the livestock industry is doing well, income to the federal government increases. During downturns, income to the government goes down. In recent years, private land lease rates have declined, the price of cattle has declined and production costs have increased, which is why the grazing fee is currently at the $1.35/AUM minimum.

Some say federal grazing fees are a "subsidy" and should equal rental rates on private lands. However, the fact is that the costs of operating on public rangelands are higher than those on private pasture. When our forefathers settled the west, they homesteaded the best lands, near water, with the best forage. Those lands are now mostly in private ownership, while the public lands are often mountains or remote desert, the "lands nobody wanted". Public rangelands are typically less productive then private lands, producing fewer and smaller calves. Since cows range widely over vast acres of sparse public rangeland, more bulls are required and many cows still remain unbred. Transportation costs to move and manage livestock on federal lands are generally higher than those for private lands. It is not unusual for a rancher to drive 100 miles or more to haul water, break ice, or repair windmills. Range cattle are harder to doctor when sick and to protect from predators. Ranchers must also comply with government rules and restrictions. Federal land management agencies strictly control grazing seasons and stocking rates, and often take months or years to approve new range improvements, which reduces management flexibility and increases costs. In addition, public access to grazing lands can lead to livestock thefts, harassment, and vandalism, and require ranchers to continually police grazing allotments to make sure gates are closed or be assessed trespass damages. Range economists have quantified the costs of operating on public rangelands, and find them to range between $9.50/AUM and $14.50/AUM.

Some maintain that grazing fees only cover a small portion of the costs of the range program. However, the 1986 Grazing Fee Review and Evaluation report prepared by the BLM and Forest Service shows that grazing fees actually recover most of the cost of grazing on public lands. In addition, the range program manages for other multiple uses like wildlife, watershed and recreation which do not pay fees. Again, Congress recognized in 1976

that maximizing profits to the federal treasury was not necessarily the primary objective of the grazing program; stewardship of the rangeland and economic stability for livestock producers and local communities was as important.

Others charge that low fees contribute to more grazing and overgrazing, which ruins the public rangelands and destroys wildlife habitat. However, the grazing fee has nothing to do with the number of cattle and sheep that graze public lands. The Bureau of Land Management and Forest Service adopt land use plans which consider wildlife, erosion control, and revegetation needs in determining stocking rates. Recent data shows that as the grazing fee has dropped due to the depressed agricultural economy, so have the number of livestock grazing on public lands. Producers are liquidating herds rather than increasing their numbers. In 1985, non-use of federal grazing permits in the west averaged 21%, and ran as high as 28% in Wyoming and Idaho. Furthermore, most discussion of livestock overgrazing ignores other types of overgrazing, such as that by excessive numbers of wild horses and burros on the range. Finally, the condition of public rangelands has been steadily improving since the drought conditions of the 1930's. BLM reports that from 1938 to 1984 "poor" conditions decreased from 36% to 18%, while "good" and "excellent" condition rangelands increased from 16% to 36%, a 125% increase.

Proper grazing in many cases improves rangelands. Grazing controls the build-up of combustible vegetation that can lead to serious fires. It helps maintain vegetative diversity and the health and palatability of beneficial plant species. When coarse vegetation is not grazed but left to rot, wetland eutrophication is often speeded up.

In addition, wildlife conditions are also improving in many instances. In many areas where early explorers' journals recorded little game, many species now abound due to more water and better range. In big game, for example, in the last 10 years elk numbers have increased on national forests in virtually every western state. Big horn sheep are more numerous in Colorado, Montana, Utah, and Wyoming. On BLM lands elk, deer, and antelope numbers are up in Oregon, Nevada, Utah, Wyoming, Colorado, and Idaho. And the list goes on.

The public is heavily indebted to ranchers who help care for our nation's wildlife. Eighty percent or more of wildlife is dependent on private lands for habitat. Private ranch and farmlands furnish water, food, shelter, and privacy that make thousands of acres of adjoining public lands viable for wildlife. Examples of ranchers who feed starving wildlife from their haystacks during harsh winters are commonplace throughout the west.

Finally, some argue that the public lands provide only 2% of the grazing forage in the nation, and therefore reductions or elimination of livestock on public lands won't hurt the overall beef supply. But public lands grazing accounts for up to 60% of the grazing in western states. In Nevada, 87% of the entire state is in federal land ownership, and in Utah the federal government owns over 70%. There is little or no opportunity for many western stockmen to shift to private land grazing.

The fact is that many small, rural communities throughout the west are economically dependent on public lands livestock grazing. The livestock industry, like all of agriculture, has been suffering a serious economic downturn in recent years. In some western states 50% of all ranches are up for sale, in foreclosure, or in bankruptcy. The Idaho Department of Agriculture recently reported a 22% drop in the number of beef cows during the past 5 years, while the number of breeding ewes dropped 36%. The livestock industry simply cannot afford an increase in grazing fees at the present time. If fees are raised to the point where even more ranch families are forced off the range, it will hurt wildlife, reduce jobs, turn scenic ranchlands and open spaces over to possible energy and condominium development, further harm the economies of many small communities, and change the social fabric of the west.

We note that the range improvement funding request for the Forest Service and BLM is down from FY87 levels. Ranchers have historically paid for and maintained a substantial number of the public rangeland improvements that benefit many public land users at no cost. From 1980 through 1983, for example, livestock permittees invested over $25 million in BLM and Forest Service range improvements. While permittees have been willing to finance such improvements under the current fee formula, any change in the formula designed to increase fees may curtail rancher investments on public lands in the future.

We are aware of past attempts to raise federal grazing fees via the appropriations process, and would oppose any such hike at this time. When many recreational and other users of our federal lands enjoy free use of millions of acres of public lands, including wilderness, the nation's western livestock operators are proud to pay fair and equitable fees to graze on the public lands, provide food and fiber for our people, and continue to play an important role in the economy of western states and our country.

STATEMENT OF KATHRYN TOLLERTON, WASHINGTON REPRESENTATIVE FOR WILDLIFE REFUGES, DEFENDERS OF WILDLIFE

I am Kathryn Tollerton, Washington Representative for Wildlife Refuges at Defenders of Wildlife. On behalf of the 80,000 members of Defenders and the members of the Humane Society of the United States, we thank you for the opportunity to provide testimony on the budgets of the Fish and Wildlife Service (FWS) and the Bureau of Land Management (BLM) for Fiscal Year (FY) 1988.

First, Mr. Chairman, we thank you and your Committee for action taken in the FY87 Interior Appropriations Bill, including the generous funding for refuge land acquisition, a major increase in refuge contaminant funding, and the continuation of the ban on deer hunting at Loxahatchee NWR in the FY87 Interior Appropriations Bill. We appreciate your commitment to resolving our environmental problems.

I also want to thank the Committee for opposing the rescissions in the FY87 budget which the Administration requested.

My testimony will address funding for the National Wildlife Refuge System, a new contaminants analysis laboratory for the Fish and Wildlife Service, water rights on refuges, and Bureau of Land Management land acquisition.

We are requesting $105.68 million for refuge acquisition from the Land and Water Conservation Fund (Table 1), $3.5 million in advance appropriations from the Migratory Bird Conservation Account (MBCA), $ 3.5 million to provide a new contaminants analysis facility for the Fish and Wildlife Service, and $142,000 for water rights. For the Bureau of Land Management we are requesting $7.32 million for land acquisition (Table 2).

FISH AND WILDLIFE SERVICE

Fish and Wildlife Service Contaminants Analysis Laboratory

Defenders thinks that a new contaminants analysis laboratory is needed to supplement the Patuxent Analytical Control Facility in Maryland in support of contaminant field operations. The Patuxent lab is operating at capacity, and some contaminant analysis work is being contracted out. However, there is still at least $2 million worth of contaminant sampling a year that is not being done because of lack of capacity. Moreover, the analysis process can be slow. There is often a lag time of 12 to 18 months

between the time that field staff take samples off the refuge and the date when those samples are returned to the field for interpretation and use in cleaning up or treating the problem. Meanwhile, state health and agriculture officials who have offered help in working out contamininant problems are left in limbo and devote their energies to other projects.

It is the mission of the Fish and Wildlife Service to determine the impacts of environmental contaminants on fish and wildlife resources. The new laboratory would not duplicate the work of the Environmental Protection Agency (EPA) because the tests which are developed and prepared to analyze fish tissues and the internal organs of birds and other wildlife are different from those required by EPA.

Kesterson's severe pollution problems and those recently documented at other wildlife refuges have shown us that these problems will not go away. EPA knows that Superfund work is going to take years to resolve and is gearing up to cope with it. The Fish and Wildlife Service needs to do the same. Our initial estimate is that a new contaminants lab would cost $2 million to build, $1 million to equip and up to $500,000 to staff. We urge the Committee to begin work on the problem this year. Ultimately wildlife health problems are our health problems.

The Land and Water Conservation Fund

Defenders has joined with the other environmental organizations in developing THE LAND AND WATER CONSERVATION FUND: THE CONSERVATION ALTERNATIVE FOR FISCAL YEAR 1988. This request for FY88 funding for National Wildlife Refuge System (NWRS) land acquisition is based on:

a) court awards already existing or anticipated for which the federal government has an obligation to compensate landowners;
b) a serious threat to lands, waters, and/or wildlife;
c) a likelihood of willing sellers and/or hardships to owners; and
d) an active land acquisition program designed to complete a project within a certain time.

Within the recommendations of this year's CONSERVATION ALTERNATIVE, Defenders is giving priority to $105.68 million in refuge land acquisition -- which includes funding for expanding many endangered species refuges and the creation of a new riparian refuge in Northern California, preservation of wetlands and other lands which provide habitat for a diversity of species.

Defenders believes that the following acquisitions should have top priority: $4 million to buy additional land within the boundaries of the Alligator River National Wildlife Refuge (NWR), NC to aid in the recovery of the endangered red wolf; $1 million to begin acquisition for the Sacramento River NWR, CA; $1 million to continue purchase of fast dwindling wetlands at Rachel Carson NWR, ME; $3.5 million toward the acquisition of the Fakahatchee Strand in the Everglades for the proposed Florida Panther NWR; $12 million to buy additional habitat for the endangered ocelot and jaguarundi in the Lower Rio Grande NWR, TX; $5 million to continue habitat acquisition for the endangered key deer at the National Key Deer NWR, FL; $7.5 million to maintain the wetlands in the Klamath Marsh, OR ecosystem for bald eagles and other bird species; $1.5 million for additional land at National Elk NWR, WY; $3.1 million to purchase additional habitat for the endangered Attwater prairie chicken at its Texas refuge; $4.0 miillion to save the endangered Hawaii forest birds on the island of Hawaii; and $1 million to expand Crocodile Lake NWR, FL.

To create a new refuge on the Sacramento River, we are requesting $1 million to begin purchasing land. In FY87 this committee initiated plans for the refuge by approving $150,000 to conduct a feasibility study on the value of a new national wildlife refuge on the Upper Sacramento River between Colusa and Red Bluff. Following the directions of this committee the Fish and Wildlife Service began working cooperatively with the US Army Corps of Engineers, the California State Reclamation Board and the State Department of Fish and Game to develop a feasibility plan that takes account of the flooding, wildlife and other factors which affect this beautiful area. The refuge will save rapidly vanishing riparian habitat for several endangered, threatened, and candidate species, including Swainson's hawk and the yellow-billed cuckoo. This project has the endorsement of the Sacramento Valley Waterfowl Habitat Management Committee, the California Waterfowl Association, the California Wildlife Federation, the Pacific Coast Federation of Fishermen's Associations, and the Sacramento River Preservation Trust.

In Maine, wetlands designated within the boundaries of the Rachel Carson NWR, a major black duck nesting site and a feeding ground for the threatened piping plover on the Atlantic Flyway, are in danger of being sold for housing and other waterfront development. This important feeding, resting, staging and breeding area, the so called "critical edge" between the marshes and the uplands would be lost to the many species of wildlife which depend on it. Our request for $1 million in Congressional appropriations for additional refuge land has the support of many interested residents in the area.

A table showing Defenders' FY88 recommendations for refuge land acquisitions is attached to the text of my testimony. (Table 1)

As you know, our nation has lost approximately 9 million acres of wetlands alone in the 20-year period from the mid-1950's through the mid-1970's. Each year we lose approximately 450,000 acres of wetlands to land erosion and agricultural, residential, commercial, and industrial development. These losses are rapidly eliminating our ability to acquire and preserve habitat for endangered species, migratory waterfowl, and other wildlife.

We understand that the unspent funds in the Land and Water Conservation Fund account in the U.S. Treasury exceed $5 billion. We urge you to appropriate funds from this account for refuge acquisition in FY88.

The Migratory Bird Conservation Account

We recommend the appropriation of $3.5 million in advance appropriations in the Migratory Bird Conservation Account (MBCA). This is the last of the $200 million authorized advance appropriation remaining in the Wetlands Loan Fund.

Water Rights on Refuges

We recommend the restoration of $142,000 for the justification of federal reserved water rights on land in the 17 contiguous Western states. These states are currently reworking their water rights systems. The Fish and Wildlife Service must research their water rights on refuges and file them with the state water commissions and be prepared to defend the rights in court. These funds are used to hire expert witnesses and to pay administrative costs. It is imperative that refuge water rights be protected in these water-scarce states in order to ensure good quality habitat for waterfowl and other migratory birds and wildlife populations.

BUREAU OF LAND MANAGEMENT

The Land and Water Conservation Fund

Defenders supports the BLM land acquisitions proposed in THE CONSERVATION ALTERNATIVE FOR FY88: THE LAND AND WATER CONSERVATION FUND. We want to highlight 5 acquisitions in that document. Recently Defenders learned from the wildlife habitat acquisition needs book of the California Bureau of Land Management of the opportunity to acquire additional habitat for the Desert Tortoise in the California Desert. The tortoise faces constant threats from vehicle use and agricultural development. Accordingly, Defenders is requesting that the Committee approve $100,000 to purchase additional acreage in the Chuckwalla Bench Area of Critical Environmental Concern (ACEC). This area supports the highest density of Desert Tortoises in the Sonoran Desert. Secondly, we request $500,000 to purchase Desert Tortoise habitat in the Desert Tortoise Natural Area, the location of the highest density of Desert Tortoises in the Mojave Desert.

Turning to Oregon, we urge the Committee to approve a $2 million appropriation to purchase privately owned beach, wetland and upland areas adjacent to the New River ACEC, an area which also provides wintering ground for the endangered Aleutian Canada Goose and habitat for other threatened and endangered species. Additionally, we urge support for $3 million to purchase land in the Warner Lakes Potholes, an important wetland in south central Oregon which is proposed for designation as an Area of Critical Environmental Concern. In Arizona we recommend $220,000 to purchase Fig Spring, a rugged area with four of the largest springs running through the Black Mountains.

A table showing Defenders' land acquisition recommendations for BLM is attached. (Table 2)

In closing, we thank you for the opportunity to present testimony. We will be glad to answer any questions you or other Members of the Committee may have about our testimony.

TABLE 1

DEFENDERS OF WILDLIFE

Fish and Wildlife Service

LAND AND WATER CONSERVATION FUND
Fiscal Year 1988 Refuge Land Acquisition Priorities
(NWR=National Wildlife Refuge)
(M=$million)

TOP PRIORITIES

Alligator River NWR, NC	$4.0 M
Sacramento River, CA	1.0
Rachel Carson NWR, ME	1.0
Pakahatchee Strand, FL	3.5
Lower Rio Grande NWR, TX	12.0
National Key Deer NWR, FL	5.0
Klamath Forest NWR, OR	7.5
National Elk NWR, WY	1.5
Attwater Prairie Chicken NWR, TX	3.1
Hawaii Forest Birds, HI	4.0
Crocodile Lake NWR, FL	1.0
SUBTOTAL	43.6 M

TABLE 1

HIGH PRIORITIES continued	
Ace River Basin, SC	$2.5 M
Animas Mountains, NM	8.5
Arivaca Creek, AZ	.5
Ash Meadows NWR, NV	.82
Bayou Sauvage NWR, LA	3.0
Bog Brook, ME	.1
Bogue Chitto NWR, LA	2.0
Bon Secour NWR, AL	3.0
Canaan Valley, WV	3.0
Chincoteague NWR, VA	.85
C.M. Russell NWR, MT	.13
East Grasslands, CA	3.6
Great Swamp NWR, NJ	1.7
Great Meadows NWR, MA	1.0
Kirtland's Warbler, MI	.53
Kofa NWR, AZ	.3
Leslie Springs, AZ	.3
Matagorda, TX	5.0
Mississippi Sandhill Crane NWR, MS	3.0
Ozark Bat Caves, OK	.65
Pahranagat Round-tailed Chub, NV	.1
San Pablo Bay NWR, CA	4.0
San Francisco Bay NWR, CA	5.0
Sunkhaze Meadows, ME	.8
Tensas NWR, LA	3.0
Tinicum National Environmental Center, PA	2.0
Trustom Pond NWR, RI	1.25
Wertheim NWR, NY	1.2
Inholdings Account	2.5
Acquisition Management	1.75
SUBTOTAL	62.08
GRAND TOTAL	$105.68 M

TABLE 2

DEFENDERS OF WILDLIFE

Bureau of Land Management

LAND AND WATER CONSERVATION FUND
Fiscal Year 1988 Bureau of Land Management Acquisition Priorities

(ACEC=Area of Critical Environmental Concern)
(M=$million)

Chuckwalla Bench ACEC, CA	$ .10 M
Desert Tortoise Natural Area, CA	.50
Fig Spring, AZ	.22
New River ACEC, OR	2.0
Warner Lakes Potholes, OR	3.0
Wilderness Study Area Inholdings	.5
Acquisition Management	1.0
GRAND TOTAL	$7.32 M

STATEMENT OF ALBERT M. MANVILLE II, PH.D., SENIOR STAFF WILDLIFE BIOLOGIST, DEFENDERS OF WILDLIFE

Mr. Chairman, I am Dr. Albert Manville, Senior Staff Wildlife Biologist for Defenders of Wildlife (Defenders). On behalf of Defenders, the Humane Society of the United States (HSUS), and the Wildlife Center of Virginia (Center), I would like to thank you for allowing me to testify here today.

We appreciate the Fish and Wildlife Service's (FWS) decision to build the $250,000 nongame research add-on in the FY87 budget into this FY88 budget. Although this is a step in the right direction, our testimony will show that much more needs to be done for nongame wildlife.

WILDLIFE RESOURCES, R&D: NONGAME:

I. Implementing the "Nongame Migratory Bird Management Plan for the United States": $1.760 million addtnl. and 26 addtnl. FTE's

Defenders, HSUS, and the Center request that Congress provide an additional **$1.760 million** and **26 additional FTE's** in FY88 to fully implement the "Nongame Migratory Bird Management Plan for the United States" (Plan), drafted by the FWS in 1983, but not yet initiated. We specifically recommend that Congress increase the Interior Department's $1.432 million request for nongame research by $1.760 million to a total of **$3.192 million.** A summary of the budgetary and staff needs for the Plan is as follows:

A. **National Coordination (Management) from the Office of Migratory Bird Management (OMBM)** ($ in millions)

	Salary & Benefits	Operating Costs	Total	FTE's
	$0.213	$0.10	$0.313	5

The purpose of this effort is to provide national identity, direction, and coordination to the migratory bird program. Personnel at this level will define research and management objectives and priorities, and recommend management and conservation actions based on research results and monitoring efforts. They also will work in cooperation with other federal offices, state wildlife agencies, industry, universities, ornithological and conservation organizations, and others. These FTE's will also cooperate with the FWS Office of International Affairs in order to fulfill international treaty obligations as well as foster conservation of shared migratory bird resources.

B. **Regional Coordination (Management) from the OMBM**

0.345	0.14	0.485	10

Those at the regional level (within each of the FWS's 7 regional offices) will act as a liaison between the national level and the state wildlife agencies whose states are found in each of the Service's respective regions. Regional personnel will work specifically with personnel at the state nongame level as well as with nongame biologists and managers in other organizations. Responsibilities will include recognition of national priorities, standardization of methods, and coordination of efforts. Research and management objectives will be defined for each region, and management and conservation actions will be recommended for the national program.

C. **Population Monitoring (Management) from the OMBM**

0.229	0.25	0.479	6

In cooperation with state and private agencies, as well as a network of volunteers, personnel will assess populations of major groups of North American migratory birds. Data banks will be maintained to ensure that data are stored in standardized,

accessible formats. Data will be periodically analyzed, results synthesized, and reports on the status of migratory nongame bird species submitted. Staff will focus on identifying unstable and declining species, and recommend redirection of programs as needed. Operating costs are included in the following monitoring efforts:

Breeding Bird Survey (BBS): Songbird populations are monitored based on roadside counts from some 1,500 volunteers at 2,000 locations. Surveys are sponsored by the FWS and the Canadian Wildlife Service, while data banks are maintained by the FWS. Support is needed to improve and coordinate counts, maintain and analyze data.

Christmas Bird Count: More than 40,000 volunteers monitor songbirds and other species during some 1,500 one-day annual winter counts. Counts are sponsored by the National Audubon Society, and the computerized data bank is now being initiated by the Cornell Laboratory of Ornithology. Partial support is needed to maintain and analyze the data, especially for those species not adequately covered by the BBS.

Colonial Bird Register: A variety of public and private agencies monitor colonial-nesting species (terns, gulls, and herons), and a computerized data bank is maintained by the Cornell Laboratory. Partial support is needed to coordinate and standardize counts, and maintain the data bank.

International Shorebird Survey: Based on a series of annual spring and fall counts, shorebird populations are assessed at migration stopovers. Sponsored by the Manomet Bird Observatory, MA, volunteers conduct counts at an average of 250 sites in North America east of the Rocky Mountains. Partial support is needed to expand coverage to the western U.S., coordinate these counts, and initiate and maintain a computerized data bank.

Raptor Migration Counts: Conducted by the FWS in cooperation with private organizations, raptors are monitored at 6 mountain and coastal sites. Data files are maintained by the FWS. Partial support is needed to expand coverage to the western U.S. and maintain a computerized data bank.

D. Populations & Monitoring Techniques (Research) at Patuxent Wildlife Research Center (PWRC)
0.344 0.26 0.604 10.5

Personnel will evaluate methods for monitoring bird populations, especially those currently not being adequately sampled, and recommend ways to improve data collection and trend analyses. Research will also be conducted on the status of unstable and declining species.

E. Habitat & Environmental Influences (Research) at PWRC
0.344 0.22 0.564 10.5

Personnel will evaluate the effects of large-scale habitat changes and environmental influences on bird populations. Intensified research will be conducted on the problems associated with specific declining and unstable species.

F. Biological Survey Work (Museum) at the National Ecology Center 0.261 0.035 0.296 7

Personnel will conduct studies on the geographic variation, seasonal distribution, population structure, and taxonomy of North American birds.

PROGRAM TOTAL	1.735	1.005	2.74	49
LESS EXISTING EXPENDITURES (see appended Table 1)			0.98	23
NEW COMMITMENTS REQUESTED			**$1.760**	**26**

JUSTIFICATION FOR THE PLAN

Full funding for and implementation of the "Nongame Migratory Bird Management Plan" are exceedingly important. Activation of the Plan will enable determination of the status of **all** migratory birds -- 757 (91%; Figure 1) species currently listed as nongame or in effect nongame (neither hunted nor trapped) but status generally in question -- assess population conditions and habitat needs, and prevent species from declining to the point that they have to be listed as threatened or endangered under the Endangered Species Act. Presently, the budget for these nongame species is only a fraction of the funds spent on research for game birds by the FWS (Figure 2).

Of the nongame birds, the FWS in 1982 identified 28 in trouble (Table 2), populations listed as unstable or declining region- or nationwide. Four of these species have since been listed as endangered. Implementing the Plan will provide an early warning system to detect and correct for populations of migratory birds in trouble **before** they reach critical stages, and thus could save taxpayers millions of dollars necessary for the arduous process of listing and recovery of depleted species. Since most nongame migratory birds are presently getting little attention by the FWS, the focus will now shift to all migratory birds if this Plan is implemented. Initiating the Plan will also result in a cooperative effort between states and the federal government, and costs will be relatively low since much of the labor for the program will be carried out by volunteers.

II. Funding for the Fish and Wildlife Conservation Act of 1980 (The Nongame Act, Public Law 96-366, reauthorized 1986): $5.0 million and No Net Change in FTE's

Defenders, HSUS, and the Center request that Congress provide **$5.0 million** to implement the Nongame Act, the money to be used for a matching grant program to reimburse states for development, revision, and implementation of state nongame conservation plans. **No new FTE's** will be required as some of the personnel hired to initiate the "Nongame Migratory Bird Plan" will also function as administrators for the Act.

Congress passed the Nongame Act in 1980 placing an appropriations ceiling of $5 million to implement it. To date, no money has yet been appropriated. The Act specifically mandates the FWS to assist the states in preparing and implementing comprehensive nongame management plans. These plans will evaluate the status of nongame fish and wildlife species in each state, identify critical habitats, and ultimately assist the state fish and wildlife agencies in finding the most acceptable and cost effective means for protecting the habitat and preventing decline of **all nongame fish and wildlife**.

A Congressional appropriation for the Nongame Act will provide the first necessary step toward maintenance of healthy nongame wildlife populations. It is particularly important to note that a healthy ecosystem is a diverse ecosystem. As species continue to disappear -- particularly at currently accelerated rates -- the health and stability of the environment worsens. Our ultimate survival may hang in the balance. State fish and

wildlife agencies are trying hard to fund state nongame programs, but data indicate that they are unable to do it alone (Table 3a). The states have been innovative in developing funding mechanisms for nongame wildlife (Table 3b), but these mechanisms were intended to complement anticipated federal matching funds, not to replace them. States need help now, and the $5 million would provide just that necessary assistance.

Table 1. U.S. Fish & Wildlife Service

Migratory Nongame Bird Management & Research

Proposed Fiscal Year 1988 Budget

Staff Position	FTE	Grade	Salary & Benefits*	Operating Cost	Total
I. National Coordination (Management)					
Branch Chief	1.0	14	55,159	100,000	155,159
Habitat Specialist	1.0	13	46,680	-------	46,680
Population Specialist	1.0	13	46,680	-------	46,680
Urban Specialist	1.0	13	46,680	-------	46,680
Secr/Technical Asst.	1.0	5	17,865	-------	17,865
Subtotal	5.0		213,064	100,000	313,064
II. Regional Coordination (Management)					
Regional Coordinator	7.0	13	326,760	140,000	466,760
Secr/Technical Asst.	3.0	5	17,865	-------	17,865
Subtotal	10.0		344,625	140,000	484,625
III. Population Monitoring (Management)					
Section Chief	1.0	13	46,680	250,000	296,680
Survey Specialist	3.0	12	117,765	-------	117,765
Statistician	1.0	13	46,680	-------	46,680
Secr/Technical Asst.	1.0	5	17,865	-------	17,865
Subtotal	6.0		228,990	250,000	478,990
IV. Populations & Monitoring Techniques (Research)					
Section Chief	1.0	14	55,159	260,000	315,159
Research Biologist	4.0	13	186,720	-------	186,720
Research Assistant	3.0	7	66,384	-------	66,384
Research Technician	1.0	5	17,685	-------	17,685
Secr/Technical Asst.	1.5	5	17,865	-------	17,865
Subtotal	10.5		343,813	260,000	603,813
V. Habitats & Environmental Influences (Research)					
Section Chief	1.0	14	55,159	220,000	275,159
Research Biologist	4.0	13	186,720	-------	186,720
Research Assistant	3.0	7	66,384	-------	66,384
Research Technician	1.0	5	17,685	-------	17,685
Secr/Technical Asst.	1.5	5	17,685	-------	17,685
Subtotal	10.5		343,633	220,000	563,633

Table 1 (cont.)
VI. Biological Survey (Museum)

Research Biologist	2.0	14	110,318	35,000	145,318
Museum Specialist	1.0	12	39,225	------	39,225
Research Zoologist	1.0	12	39,255	------	39,255
Museum Specialist	1.0	9	27,070	------	27,070
Research Assistant	1.0	9	27,070	------	27,070
Secr/Technical Asst.	1.0	5	17,865	------	17,865
Subtotal	7.0		260,803	35,000	295,803
PROGRAM TOTAL	49.0		1,734,928	1,005,000	2,739,928
LESS EXISTING EXPENDITURES					
Management (Note A)	4.0				250,000
Research (Note B)	14.9				530,000
Museum (Note C)	4.5				199,800
	23.4				979,800
NEW COMMITMENTS REQUESTED	25.6				1,760,128

Note A: Includes part-time personnel in DC Office of Migratory Bird Management, maintenance of Breeding Bird Survey, raptor survey contracts, and computer support. Does not include support for Bird Banding Lab, some functions of which concern migratory nongame birds.

Note B: Includes many elements of proposed program, but current levels support insufficient FTEs and little or no operating support.

Note C: Includes basic curation of collection and some research. Present budget does not include any operating support for the bird project at the museum.

*All salaries shown at Step 3 levels, plus 13% benefits.

OFFICE OF MIGRATORY BIRD MANAGEMENT

I. National Coordination

Provide national identity, direction, and coordination to migratory nongame bird program. Function in advisory capacity to USFWS Director, regarding implement national migratory nongame bird management plan. Define research and management objectives and priorities and recommend management and conservation actions based on results of research and monitoring efforts. Encourage cooperation among and provide advice to other federal agencies and programs, state wildlife agencies, industries, universities, municipalities, and ornithological and conservation organizations. Cooperate with USFWS Office of International Affairs to fulfill international treaty obligations and to foster conservation of shared migratory bird resources.

Funds requested would cover needed staff and modest operating support (e.g., travel and reports), including some funds available for contracts for high priority projects.

II. Regional Coordination

Represent and act as a liaison for national program within each USFWS regional office. Work directly with nongame project personnel in state wildlife agencies and other organizations. Ensure recognition of national priorities, standardization of methods, and coordination of efforts. Define research and management objectives at regional level and recommend management and conservation actions to national program.

Funds requested cover one Regional Coordinator in each of seven USFWS field regions, plus modest operating and contract support.

III. Population Monitoring

In cooperation with state and private agencies and networks of volunteers, monitor populations within major groups of North American birds. Support or maintain data banks to ensure that data are stored in standardized, accessible formats. Periodically analyze data, synthesize results, and report on the status of migratory nongame bird species. Identify unstable and declining species, and recommend redirection of programs as needed.

Funds requested would cover needed staff and modest operating support (e.g., travel and reports). Operating costs specifically include costs of the following monitoring efforts:

Breeding Bird Survey: Monitor breeding birds, primarily songbirds, based on roadside counts along randomly-selected routes conducted annually by about 1,500 volunteers at about 2,000 locations. Surveys sponsored by USFWS (Office of Migratory Bird Management) and Canadian Wildlife Service; computerized data bank maintained by USFWS. Results of first 15 years of counts, 1965-1979, recently published. Support needed ($100,000/in-house) to improve and coordinate counts, to maintain data bank, and to analyze data.

Christmas Bird Count: Monitor songbirds and other species during winter season based on about 1,500 one-day annual counts by more than 40,000 volunteers across the continent. Counts sponsored by National Audubon Society (New York); computerized data bank now being initiated by Cornell Laboratory of Ornithology (New York). Partial support needed ($25,000/contract) to maintain data bank and to analyze data, especially for species not adequately covered by Breeding Bird Survey.

Colonial Bird Register: Monitor colonially-nesting species, mostly terns, gulls, and herons, in contiguous United States. Surveys sponsored by a variety of public and private agencies. Computerized data bank maintained by Cornell Laboratory of Ornithology. Partial support needed ($20,000/contract) to coordinate and standardize counts and to maintain data bank.

International Shorebird Survey: Monitor status of shorebird species at migration stopover sites based on a series of annual counts (spring and fall) by volunteers at an average of 250 sites in North America, east of the Rocky Mountains. Surveys sponsored by the Manomet Bird Observatory (Massachusetts); data files maintained by same. Partial support ($25,000/contract) needed to expand coverage in western United States, to coordinate counts, and to initiate and maintain a computerized data bank.

Raptor Migration Counts: Monitor raptor species during migration at six mountain and coastal sites where concentrations occur. Counts sponsored by USFWS (Office of Migratory Bird Management) in cooperation with private organizations; counts recorded by seasonal employees. Data files maintained by USFWS; some data computerized for purposes of research on data analysis techniques. Partial support ($20,000/contract) needed to expand coverage in western United States and to maintain a computerized data bank.

PATUXENT WILDLIFE RESEARCH CENTER AND OTHER RESEARCH UNITS

IV. Populations & Monitoring Techniques

Evaluate current methods for monitoring bird populations and recommend ways to improve data collection and trend analyses. Develop field-survey methods for species or groups of species not adequately sampled by current survey programs (e.g., marsh species, owls, songbirds not accessible by roads), including seabirds and shorebirds in Alaska. Conduct research on status of unstable and declining species.

Requested support would cover needed staff and modest operating support, including one population biologist in the Alaska Office of Fish & Wildlife Research (Anchorage).

V. Habitats & Environmental Influences

Evaluate effects of broad-scale habitat changes and environmental influences on bird populations (e.g., fragmentation of Neotropical forests; reduced water levels in riparian habitats in western United States; coastal wetlands). Specific mixture of projects would vary from year to year, depending on changing priorities. Intensified research on problems associated with specific declining and unstable species (e.g., effects of gill-net fisheries on seabirds; acid rain on loons).

Requested support would cover needed staff and modest operating support, including one habitat biologist each in the Alaska Office of Fish & Wildlfie Research, the National Ecology Center (Colorado), and the Northern Prairie Wildlife Research Center (North Dakota).

BIRD PROJECT OF THE BIOLOGICAL SURVEY SECTION OF THE NATIONAL ECOLOGY CENTER (BASED AT THE NATIONAL MUSEUM OF NATURAL HISTORY)

VI. Museum-based Studies

Conduct studies on the geographic variation, seasonal distributions, population structure, and taxonomy of North American birds. Curate internationally-significant research collection of bird specimens. Monitor status of migratory birds in Latin America, working closely with Latin American counterparts.

Requested support would cover needed staff and modest operating support (unit presently has no operating support).

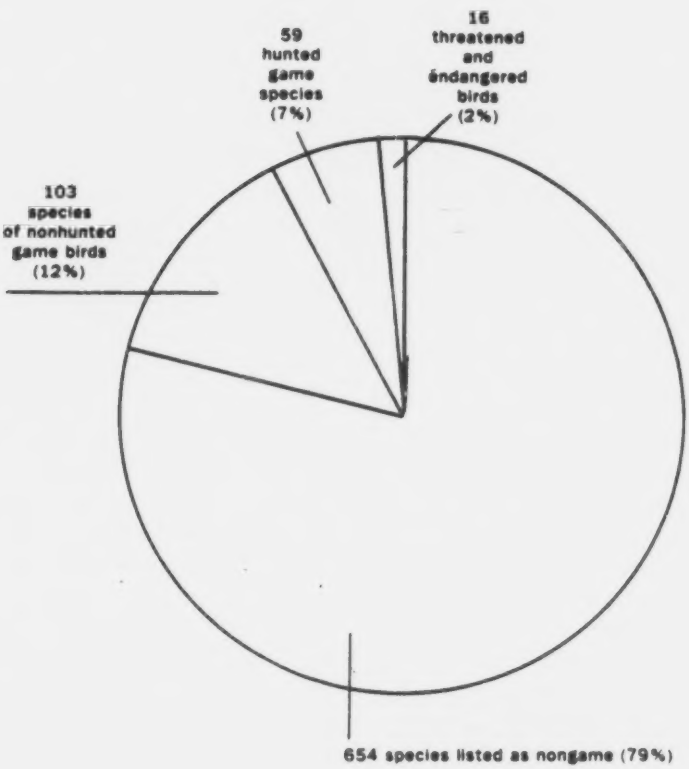
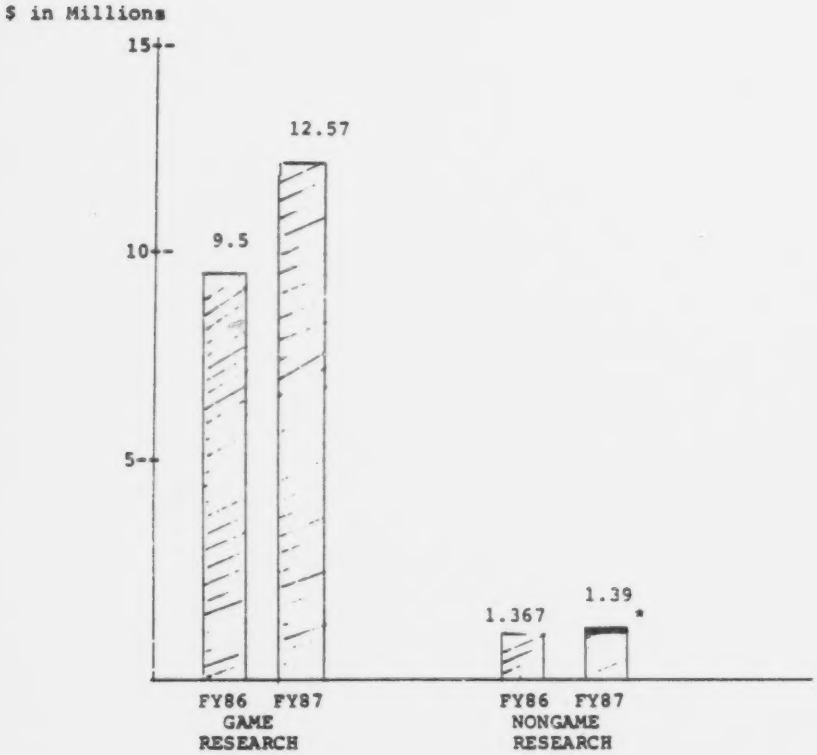


Figure 1. **Status of 832 species of North American migratory birds: 654 (79%) are nongame species, 103 (12%) are nonhunted game species and 59 (7%) are hunted game species, 16 (2%) are threatened or endangered species. Ninety-one (91) percent of the federally protected migratory birds are effectively nongame.**

Figure 2. U.S. FISH AND WILDLIFE SERVICE BUDGETS
FY86 AND FY87



*$250,000 of the $1.39 million was requested by Defenders of Wildlife for the Nongame Migratory Bird Plan

Compiled by Defenders of Wildlife, November 1986, from 1985 and 1986 Fish and Wildlife Service Budget Reports.

Table 2. NONGAME MIGRATORY BIRD SPECIES
WITH UNSTABLE OR DECREASING POPULATION TRENDS IN THE UNITED STATES

	States showing significant population decline or state protected (as endangered, threatened or rare)
Marsh and Wading Birds:	
1. Common loon	CA, ID, MI, NH, WI
2. Reddish egret	AL, FL, LA, TX
3. Least bittern	AR, CA, FL, MD, MI, NM, PA
4. American bittern	AL, DE, IL, ID, MD, MI, MN, NH, NM, PA
5. Wood stork (*)	AL, FL, GA, SC
6. White-faced ibis	CA, NM, TX
7. Trumpeter swan	AK, ID, MN, MT, WY
8. Black rail	AL, AZ, CA, DE, FL, IL, MD, MO
Birds of Prey:	
9. Red-shouldered hawk	AL, AR, DE, GA, IL, IA, MI, MN, MO, MS, NH, NJ, PA, SC, TX, WI
10. Ferruginous hawk	ID, NM, OR, UT, WA, WY
11. Northern harrier	AZ, CA, IL, IA, KS, MD, ME, MI, MN, MO, NH, NJ, OK, PA, TX, WI
12. Barn owl	AL, AR, GA, IL, IA, MI, MO, PA, WI
13. Spotted owl	CA
Marine Birds:	
14. Roseate tern	CT, FL, ME, NH, NJ
15. Least tern (**)	AZ, CA, DE, FL, IL, IA, KS, ME, MD, MS, MO, NJ, NM, NE, OK, SC, SD, TX, WY
16. Gull-billed tern	AL, CA, DE, MD, VA
17. Black tern	IL, IA, ME, MI, ND, PA, WI
Shorebirds:	
18. Piping plover (***)	AL, DE, FL, IL, IN, MD, ME, MI, MN, NJ, NY, OH, VA, VT, WI
19. Snowy plover	AL, CA, FL, OR, TX, WA
20. Long-billed curlew	ID, MT, ND, OK, OR, WA
21. Upland sandpiper	AL, DE, ID, IA, IL, IN, MA, MD, MI, MN, MO, MT, NH, NJ, NY, OH, OR, PA, SD, VT, WA, WI
Passerines/Songbirds:	
22. Loggerhead shrike	AL, AR, CA, GA, IL, IA, KS, KY, MD, ME, MI, MN, MO, MS, MT, NC, ND, OK, TN, TX, VA, WI
23. Bell's vireo (****)	CA, IA, NM, OK, TX, UT
24. Golden-cheeked warbler	TX
25. Baird's sparrow	AZ, MN, ND, NM
26. Henslow's sparrow	AL, IL, IA, MI, MN, MO, NJ, NY, PA, TX
27. Seaside sparrow	FL
28. Bachman's sparrow	AL, AR, FL, GA, IL, IN, MD, MO, MS, NJ, OH, SC, VA, WV

Compiled by Defenders of Wildlife, November 1986

From U.S. Fish and Wildlife Service Data, July 1982, Office of Migratory Bird Management and Patuxent Wildlife Research Center

(*) = currently listed as Endangered
(**) = Interior population currently listed as Endangered
(***) = Great Lakes populations currently listed as Endangered
(****) = California population currently listed as Endangered

Table 2 (cont.)

NONGAME MIGRATORY BIRD SPECIES OF UNCERTAIN STATUS IN ONLY ONE FISH AND WILDLIFE SERVICE REGION

Nongame Bird Species:	FWS Region
American white pelican	1
Double-crested cormorant	3
Great blue heron	3
Snowy egret	1
Black-crowned night heron	1
Cooper's hawk	3
Sharp-shinned hawk	6
Swainson's hawk	1
Common tern	5
Yellow-billed cuckoo	1
Great gray owl	1
Whip-poor-will	5
Scrub jaw	4
Sedge wren	5
Eastern bluebird	6
Golden-winged warbler	3
Grasshopper sparrow	4

FWS Regions:

Region 1: CA, HI, ID, NV, OR, WA
Region 2: AZ, NM, OK, TX
Region 3: IA, IL, IN, MI, MN, MO, OH, WI
Region 4: AL, AR, FL, GA, KY, LA, MS, NC, PR, SC, TN, VI
Region 5: CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WV
Region 6: CO, KS, MT, ND, NE, SD, UT, WY
Region 7: AK

Compiled by Defenders of Wildlife, November 1986.

From U.S. Fish and Wildlife Service Data, July 1982, Office of Migratory Bird Management and Patuxent Wildlife Research Center.

Table 3a.

Group tracking funds for non-game animals

Almost 98 percent of the USA's state wildlife agency budgets involve game animals. Protection of game animals is no longer a major concern and funding should be redirected to help "all wildlife, from songbirds to bats to the common loon," said Joyce Kelly, head of Defenders of Wildlife. The group hopes to raise — with federal, state and private support — $60 million per year for non-game projects. Only Florida and California sufficiently fund non-game wildlife, she said. Game and non-game budgets:

State	Game	Non-game
Alabama	$2.8M	$122,000
Alaska	10.8M	268,500
Arizona	16.0M	500,000
Arkansas	4.3M	125,000
California	65.1M	15,100,000
Colorado	26.7M	1,000,000
Connecticut	1.5M	130,000
Delaware	0.9M	62,611
Florida	7.0M	1,200,000
Georgia	6.1M	140,000
Hawaii	0.4	306,000
Idaho	4.7M	305,000
Illinois	10.4M	1,400,000
Indiana	7.7M	205,000
Iowa	4.0M	133,000
Kansas	3.4M	488,890
Kentucky	4.5M	109,094
Louisiana	4.8M	75,000
Maine	12.0M	125,000
Maryland	3.1M	125,000
Massachusetts	5.3M	297,436
Michigan	7.9M	600,000
Minnesota	7.0M	684,000
Mississippi	2.4M	534,834
Missouri	7.3M	2,500,000
Montana	4.0M	203,000
Nebraska	0.9M	250,000
Nevada	1.9M	210,400
New Hampshire	0.4M	0
New Jersey	11.0M	450,000
New York	10.5M	1,330,816
New Mexico	10.0M	459,200
North Carolina	3.0M	200,000
North Dakota	4.5M	50,000
Ohio	19.0M	350,000
Oklahoma	3.9M	132,595
Oregon	7.9M	516,669
Pennsylvania	31.7M	667,598
Rhode Island	1.2M	43,632
South Carolina	2.9M	300,000
South Dakota	9.0M	50,000
Tennessee	19.8M	225,000
Texas	6.7M	178,000
Utah	2.8M	711,000
Vermont	1.0M	50,000
Virginia	3.0M	214,000
Washington	26.7M	800,000
West Virginia	8.2M	115,000
Wisconsin	8.9M	200,000
Wyoming	11.2M	600,310
Total	$438.1M	$35.0M

Source: Defenders of Wildlife

Table 3b.

EXISTING FUNDING MECHANISMS FOR NONGAME PROGRAMS

SOURCE	STATES USING
1. Income tax checkoff - 33 declining revenue	AL, AZ, AR, CA, CO, DE, ID, IL, IN, IA, KS, KY, ME, MA, MI, MN, MT, NE, NJ, NY, NM, NC, OH, OK, OR, PA, RI, SC, UT, VT, VA, WV, WI
2. Section 6 - Endangered Species Act - 21	AK, AZ, AR, CA, CO, DE, GA, HI, ID, KY, MA, MI, MS, MT, NV, NJ, NM, NC, TN, UT, WI
3. State General Fund - 18	AK, CA, CO, CT, GA, HI, IL, MA, MS, NE, NV, NY, NM, PA, SC, TN, TX, UT
4. Pittman-Robertson - 16	AL, AZ, AR, CO, DE, GA, HI, KY, MD, MT, NV, NJ, NY, NM, ND, WI
5. Donations - 11	AZ, FL, ID, IN, IA, MA, NV, OK, TN, WV, WY
6. Hunting License Revenue - 10	MS, NY, OH, OR, PA, SD, TN, VT, WA, WY
7. Sale of Wildlife Objects - 5	IA, MD, PA, TX, WV
8. Trust Fund - Endowments - 2	FL, ID
9. Personalized Vehicle License - 2	CA, WA
10. Vehicle License For New Residents - 1	FL
11. 1/8 of 1% Sales Tax Earmarked for Wildlife - 1	MO
12. Bonds - Habitat Acquisition - 1	CA
13. Conservation Stamp - 1	WY

STATEMENT OF MATTHEW CARLE, PRESIDENT, HAIDA CORP.

I respectfully submit this statement on behalf of Haida Corporation. I am a Kaigani Haida Indian and am a commercial fisherman. I was elected president of Haida Corporation in 1986. Haida Corporation is the native village corporation which was formed according to the Alaska Native Claims Settlement Act (ANCSA) for the village of Hydaburg, on Prince of Wales Island in Southeast Alaska.

Haida Corporation was forced to file for bankruptcy in 1985. We are presently in Chapter 11. Haida Corporation is the poorest of the Southeast Alaska Native villages, and has been so since the passage of ANCSA. Our largest creditor recently stated publicly its intention to file a competing plan of reorganization which would call for the immediate liquidation of Haida Corporation. Our goal is to avoid liquidation. Without our land we are nothing.

Last year, I and others from Hydaburg came before Congress to seek help for our people and our corporation so that we would not lose our ancestral land. Under the federal law of ANCSA, all our Indian lands are held by the corporation. We testified in hearings before the Interior and Insular Affairs Committee in the House and the Energy and Natural Resources Committee in the Senate.

On November 17, 1986, President Reagan signed the "Haida Land Exchange Act of 1986" (HR 5730, PL 99-664), which authorized to be appropriated from the Land and Water Conservation Fund (LWCF) up to $11 million for the Forest Service to purchase the Haida (Native) Corporation lands of Goat Island, the South Pass Islands and an additional 667 acres. However, the authorization was received too late in the Forest Service's budget cycle to be included in their FY '88 budget request. We now need to secure an appropriation pursuant to that authorization and respectfully request that the Subcommittee add funds to the FY '88 Forest Service budget for this purpose.

We were fortunate to have received strong support from Senators Stevens and Murkowski in the Senate. In offering the "Haida Land Exchange Act of 1986" on the night of its passage, Senator Stevens engaged in a colloquy with Senators Johnston and McClure, in which all three senators offered their assistance in securing an FY'88 appropriation for the Haida lands purchase:

Senator Stevens:

> ... Unfortunately, we were not able to secure such an appropriation in the fiscal year 1987 interior appropriations bill. I want to assure the Haida people, however, that I will pursue the necessary appropriations process, and I hope that my friends, the distinguished chairman of the Interior Appropriations Subcommittee and Senator Johnston, will support my efforts. H.R. 5370 is identical to H.R. 5353 as amended by the Senate.

Senator McClure:

> Mr. President, I understand the concern expressed by my colleague from Alaska, and I will certainly work closely with him next year to protect the interests of the Haida people and the United States.

Senator Johnston:

> Mr. President, I concur with the comments made by my colleague from Idaho, and I certainly intend to work with him and Senator Stevens to accommodate the needs of the Haida people next year.

We also received support from many different groups, including the State of Alaska, several environmental organizations, and other native corporations. As I mentioned earlier, on November 17, 1986 legislation was enacted which provides some relief to Haida Corporation (HR 5730, PL 99-664) in the form of a land exchange. The land exchange provisions address certain anomalies in Haida's ANCSA land selection rights. In addition, the legislation authorized to be appropriated up to $11 million from the Land and Water Conservation Fund for the purchase of approximately 5,300 acres of Haida Corporation land by the federal government for inclusion in the national forest.

The money received from the sale of this land would be used to pay Haida Corporation's creditors and thereby protect Haida's remaining lands. Most of the lands which would be sold are a group of very beautiful islands known as Goat Island and the

South Pass Islands which contain rich fish and wildlife habitat. Haida Corporation's Plan of Reorganization, which is on file in the Bankruptcy Court, calls for utilization of the monies received from the sale of Goat Island and the South Pass Islands to satisfy our creditors. The amount authorized for the purchase of these lands is consistent with the Forest Service's estimate of their value.

In testimony on September 16, 1986, before the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs, the Chief of the Forest Service testified that the Forest Service estimate of the value of Haida Corporation's interest in Goat Island, if the full fee could be purchased, was $9 million. That is the amount authorized for the purchase of Haida's interest in Goat Island by Public Law 99-664, the remaining $2 million being from the sale of another 667 acres, which was also authorized by the Act.

The Haida Corporation accepted the Forest Service offer to purchase the Haida lands at their Board of Directors meeting December 13, 1986. Accordingly, Forest Service headquarters received a request on January 5, 1987 from Mike Barton, USFS Regional Forester, for the Haida purchase to be included as an item to be funded in the Forest Service's FY '87 supplemental appropriations request. However, according to Forest Service headquarters officials, no funds are contained in either the FY '87 supplemental or FY '88 budget requests for the Haida lands purchase because Mr. Barton's request was received too late in this year's budget cycle.

I respectfully request that the appropriation for purchase of the Haida lands which was authorized by Public Law 99-664 be part of this year's FY '88 Forest Service appropriation legislation. My people need their land to save their future and their heritage. Unless we can generate enough cash to pay the creditors, we stand to lose our land and even the land exchange will be for naught.

It is very important that the Haida lands purchase be included in the FY '88 appropriation bill because we cannot wait until the FY '89 budget cycle. We have been in bankruptcy almost two years already. If Haida is forced to tell its creditors to wait yet another year for the FY '89 cycle, the creditors will move in and try to liquidate. In fact, CFAB, Haida's largest creditor, presently intends to file a liquidation plan of reorganization, to compete with Haida's. Under this competing plan, Haida's lands and other assets will be cut into parcels and sold on the auction block until the land runs out, or until the creditors are paid, whichever happens first.

Public Law 99-664 was enacted after months of exhaustive discussion and negotiation. Please help fulfill the commitment Congress has made to the Haida people.

STATEMENT OF ROBERT KROHN, TIMBER MANAGER, SEQUOIA FOREST INDUSTRIES ON BEHALF OF WESTERN TIMBER ASSOCIATION AND THE NATIONAL FOREST PRODUCTS ASSOCIATION

Summary

TIMBER DEMAND AND SUPPLY

I. DEMAND FOR WOOD PRODUCTS IS AT RECORD LEVELS

A. Softwood lumber consumption broke records in 1984, 1985 and 1986. In 1986, U.S. consumers used 47 billion board feet of lumber. Plywood and panel consumption also broke records.

B. Demand is expected to remain strong through the early 1990's, for several reasons:

- Single family housing has become a preferential investment by the recent tax code changes.
- The housing additions and repairs market has been growing.
- Exports are booming and are expected to continue to increase while imports are expected to decline.

II. A STRONG NATIONAL FOREST TIMBER SALE PROGRAM IS NEEDED TO MEET CONSUMER DEMAND

A. While the National Forests equal only 18% of the total land available to grow trees nationally, they contain almost half of the nation's softwood sawtimber available for harvest to meet U.S. consumer's needs. By contrast, only about 23% of the timber actually harvested each year comes from the National Forests.

B. Canada supplied 33% of the softwood lumber consumed in the United States in 1986, up from 19% in 1975. However, as a result of a recently-imposed Canadian excise tax on exports of softwood lumber to the United States, that share is expected to decrease. Some Canadian industry analysts predict that 2.75 billion board feet will be recaptured by U.S. producers. Because the species found in the western National Forests most closely resembles the Canadian species which builders seem to prefer, western producers may recapture much of the market share -- provided that adequate levels of timber are available for harvest.

C. While 58% of the commmercial forest land is owned by non-industrial private owners, only 27% of the nation's timber volume is on these lands. However, 30% of the timber actually harvested nationally came from these lands, and harvest currently exceeds new growth. A recent study by the U.S. Forest Service suggests that, for both biological and socioeconomic reasons, in the future, less timber will be available from these private lands. This suggests that the National Forest timber will become even more important.

D. While this problem is long term in nature, it is further reason to encourage rather than discourage investment in the industry infrastructure in communities around National Forests, particularly in the western U.S. By diminishing the timber available to harvest and discouraging such investment, it is likely that the Canadian industry will recapture its present share of the softwood lumber market.

E. Many mills and communities are substantially -- and some totally -- dependent on National Forests to keep mills running and workers employed. The National Forests account for 40 to 60 percent of the total volume of timber harvested annually in the eleven western states in which most of the National Forest land is located.

III. THE TIMBER INDUSTRY IS A PRODUCTIVE AND COMPETITIVE COMPONENT OF THE U.S. ECONOMY.

A. The solid wood products industry consists of more than 3,000 separate companies competing directly with each

other. In 1986, the top ten operators accounted for only 30 percent of total production, and the top 100 companies accounted for only 60 percent. Compare this to the automobile industry in which three companies account for virtually all of the domestic production.

B. The result of this very competitive structure is:

- Innovation and enhanced productivity: Between 1978 and 1985, the wood products industry increased productivity by 4.7%, compared to the national average of 2.7%. Between 1980 and 1985, the industry invested almost $5 billion in plants and equipment.
- Jobs for over 700,000 people.
- Stiff competition for a share of the finished product market.
- Stiff competition for raw materials.

IV. THIS PRODUCTIVITY AND COMPETITION IS TIED TO AN ADEQUATE SUPPLY OF RAW MATERIALS.

A. The price paid for timber accounts for over two-thirds of the total cost of manufacturing wood products.

B. In many areas, timber from the National Forests, which is a critical factor in determining whether a mill can stay in business, is in short supply. Overall, there is approximately two years worth of timber under contract and ready to be harvested, compared to the historic average of three years. This is a dangerously low level. As noted above, to remain efficient and to stay in business, a producer must make substantial capital investments. However, it is very difficult to make long-term investment decisions when faced with an uncertain and unfavorable raw material supply.

V. IN ORDER TO PRESERVE THE COMPETITIVE NATURE OF THE FOREST PRODUCTS INDUSTRY, ESPECIALLY IN THE WESTERN STATES, CONGRESS MUST ENSURE THAT THE NATIONAL FORESTS PROVIDE ADEQUATE VOLUMES OF TIMBER.

STATEMENT OF RALPH SAPERSTEIN, VICE PRESIDENT, WESTERN FOREST INDUSTRIES ASSOCIATION

Summary
PROFITABILITY OF THE TIMBER SALES PROGRAM

I. THE FOREST SERVICE TIMBER SALE PROGRAM IS PROFITABLE

A. Forest Service Chief Dale Robertson testified that the Fiscal Year 1988 (FY 1988) timber sale program will cost $480 million, bring in $802 million and thus make a 67% return on investment of $322 million.

B. Each additional two billion board feet offered for sale would yield a total profit of $146 million to the Treasury, including a net return of $40 million in timber deposits and payments in FY 1988.

II. THE FOREST SERVICE TIMBER SALE PROGRAM GENERATES A SUBSTANTIAL AMOUNT OF FEDERAL TAX REVENUES.

A. NFPA estimates that the wood products industry and its employees annual pay around $455 million in Federal

taxes on income generated by the harvest and processing of National Forest timber.

B. When both direct and indirect income are considered, the National Forest timber sale program annually generates about $1.37 billion in Federal taxes.

C. A conservative estimate is that a 2.0 BBF increment to the FY 1988 timber sale program would, in FY 1988 alone, generate an additional $4[illegible] million if all economic activity associated with the increase is considered.

III. INCREASING REVENUES BY SELLING MORE FEDERAL TIMBER IS A MORE PRODUCTIVE WAY OF REDUCING THE FEDERAL DEFICIT THAN MERELY REDUCING OUTLAYS.

STATEMENT OF JAMES GEISINGER, PRESIDENT, NORTHWEST FORESTRY ASSOCIATION

Summary

INDUSTRY RECOMMENDATION FOR THE FY 1988 TIMBER SALE PROGRAM

I. BECAUSE OF STRONG SOLID WOOD PRODUCTS DEMAND AND DECLINING LEVELS OF TIMBER UNDER CONTRACT BY PURCHASERS THE INDUSTRY RECOMMENDS A FISCAL YEAR 1988 (FY 1988) FOREST SERVICE TIMBER SALES LEVEL OF 12.9 BILLION BOARD FEET (BBF).

A. The volume under contract is reaching dangerously low levels in some areas. Nationally, there is only about a two year supply available. For most companies, it is difficult to attract investment or funding with less than 2.5 or 3.0 years under contract, because of the inherent risk of not having enough timber to keep the mill running in the short term.

B. The industry recommendation of 12.9 BBF was derived by reviewing the specific needs in each Forest Service region. Following is a summary of that analysis:

Region 1 -- Montana and Northern Idaho: FY 1987 sale program was 1.005 BBF. Harvest is projected to exceed 1.15 BBF, causing a decline in volume under contract of 145 million board feet (MMBF). FY 1988 harvest is estimated at 1.185 BBF. Thus industry recommends a sale program of 1.2 BBF for Region 1.

Region 2 -- Colorado, South Dakota and Wyoming: Since 1986, the volume of timber under contract has declined by an estimated 230 MMBF, because harvest has exceeded sale volume. In the face of current demand, FY 1988 timber harvests could reach 450 MMBF, while the Administration's request is only 409 MMBF. This will cause a further decline of 41 MMBF in timber under contract. In light of demand and the steadily declining volume under contract, we recommend a FY 1988 sale program of 420 MMBF. This is only 89% of the allowable sales quantity indicated in the region's Forest Plans, which are all final.

Region 3 -- New Mexico and Arizona: The forest industry in Region 3 has conducted an extensive survey on a forest-by-forest basis of timber sale needs in order to maintain a viable sales program in FY 1988. In order to keep existing mill capacity in the Region operating efficiently, a FY 1988 sale program of 458 MMBF is needed. Volume under contract in Region 3 is

dangerously low; on some forests there is less than 6 months of volume available for harvest.

Region 4 -- Utah, Nevada, Southern Idaho, and western Wyoming: Harvest in FY 1987 is projected to exceed 450 MMBF, while the timber sale program in that year was only 390 MMBF. As in other regions, this reduces volume under contract during a time of peak demand. The Forest Service projects a 450 MMBF harvest in FY 1988, but requests only a 365 MMBF sales program. This would result in only 1.5 years of volume under contract in this region. NFPA recommends a FY 1988 sale level of 400 MMBF, a level which will not exceed the preliminary results of the forest planning process.

Region 5 -- California: Since 1984, the volume of timber harvested in Region 5 has increased to 1.85 BBF, while the sale program has steadily decreased during the same period from 1.8 BBF to 1.5 BBf. In total, harvest exceeded sales by 530 MMBF during the period. Currently, the industry could harvest 1.9 BBf; a lower program may drive up bid prices. Furthermore, 1.9 BBf is well below the potential yield in California of 2.2 BBF.

Region 6 -- Oregon and Washington: Harvest in Region 6 increased from 1.98 BBF in 1982 to a record level of 4.08 BBF of net merchantable sawtimber in 1986. The Forest Service estimates that this trend will continue. In addition, the volume of timber under contract dropped from a high in 1982 of 18.7 BBF to 10.3 BBF in 1986. This is brought about by: (1) the high rate of harvest, as a result of strong demand; (2) sales "bought out" under the Federal Timber Contract Payment Modification Act; and (3) default of inoperable, high-valued sales not bought-out because of limitations on the amount that each purchaser could "turn-back" to the government. The volume under contract in Region 6 is rapidly depleting to about a two year supply, and is estimated to diminish by an additional 600 MMBF by the end of FY 1987. Therefore, because of strong demand and diminishing volume under contract during this critical period, the industry recommends a sales program of 5.2 BBF net merchantable sawtimber in Region 6.

Region 8 -- The Southeast States: We support the President's recommendation of 1.45 BBF. We understand that the program as proposed represents the average annual allowable sale quantity identifed in the final forest plans, and does not contain any salvage sale volume.

Region 9 -- The Lake States and the Northeast: We recommend funding the Region 9 sales program to at least the level identified in the forest plans -- 840 MMBF. While we think that the forest plan levels in Region 9 underestimate the timber needed from the National Forests in that area, we think that increasing the sale program to meet the forest plan targets is a prudent request at this time.

Region 10 -- Alaska: The appropriations level and to some extent the sales level are set by the provisions of the Alaska National Interest Lands Conservation Act. However, opportunities exist to make the timber sale program in Alaska more cost-efficient.

II. THE RPA PROGRAM IS ARTIFICIALLY CONSTRAINED BELOW WHAT THE NATIONAL FOREST CAN PRODUCE.

A. The 1985 Resources Planning Act (RPA) Program indicates a timber program range of 10.0 BBF - 11.5 BBF for FY 1988. According to the RPA document, this range is largely a function of budget constraints, rather than of the current demand for solid wood products or of the ability of the National Forests to produce timber in an environmentally sound fashion.

B. However, budget constraints should not be an issue because the timber sales program will net positive returns during FY 1988. In our view, current market conditions and levels of harvest justify a sales program of 12.9 BBF for FY 1988.

III. A REGION-BY-REGION REVIEW OF CURRENT VOLUME UNDER CONTRACT AS WELL AS TIMBER SUPPLY NEEDS, DEMONSTRATES THAT INCREASING THE FY 1988 TIMBER SALE PROGRAM TO 12.9 BILLION BOARD FEET MAKES GOOD FISCAL, ECONOMIC AND ENVIRONMENTAL SENSE.

STATEMENT OF JOHN STURGEON, PRESIDENT, CONCOR FOREST PRODUCTS ON BEHALF OF THE ALASKA LOGGERS ASSOCIATION

Summary
Forest Service Road Construction

I. A VIGOROUS TIMBER SALES PROGRAM DEPENDS UPON A PROPERLY MANAGED FOREST ACCESS SYSTEM

A. Forest Service road construction and reconstruction miles peaked in FY 1979 and have been declining more-or-less steadily since. Timber sales levels, by contrast, have hovered between 11.0 and 12.5 BBF since FY 1976 as market conditions varied.

B. The Forest Service is not on a road building binge.

- In FY 1979 new road construction and reconstruction totalled 10,862 miles. In FY 1986, the Agency constructed and reconstructed substantially less, only 6,417 miles. Reconstruction accounted for more than half of this total.

- The April 1985 Report of the Surveys and Investigations Staff of the House Appropriations Committee found that the Forest Service plans to build approximately the same, or slightly less, miles of road in the ten year period from 1986 to 1995 than it built during the six year period from 1979 to 1984. The Report concludes that "the decrease in mileage does not support the allegation of a road building 'binge.' The same observation can be made for the new roads planned for roadless areas in the next decade."

- Available data for FY 1985-88 carry forward the trends observed by the Investigations Staff.

C. The Forest Service road system is not unreasonably extensive in light of the land area involved.

- Twenty percent of the Forest Service's road system is closed to all vehicular traffic.

- Another 50 percent of the system is maintained only to the extent necessary to assure passage by high clearance, four-wheel drive vehicles.

- The average density of usable roads is only 0.57 miles/square mile.

- Two thirds of the appropriated dollars for FY 1986-88 is for reconstruction of existing roads, not new roads.

- Many already-roaded areas are rapidly approaching the point where additional harvest will result in objectionable environmental impacts. Some new construction is necessary to avoid these impacts.

D. The Forest Service's road construction program represents a declining percentage of the Agency's budget that is commensurate with overall resource management objectives.

E. The Forest Service's achievements in the road construction program with respect to accomplishing funded targets or Resources Planning Act (RPA) goals is not unique among resource program areas.

- Total road program accomplishments over the past five years are only at 87 percent of the funded level.

- Total road program accomplishments as a percentage of RPA targets are not out of line with the Agency's performance in other areas.

F. The Forest Service cannot continue to rely on a declining amount of volume returned under the Federal Timber Contract Payment Modification Act as a substitute for adequate road construction funding.

- Only 0.7 BBF of this volume is available for use in FY 1989 and beyond.

- The Forest Service indicates that this remaining volume is scarce, difficult to prepare, and expensive to offer.

II. <u>The FY 1988 Explanatory Notes Accompanying the Forest Service's Budget Provide a Substantially Clearer Picture of the Road Construction Program, and Respond to Past Questions and Concerns</u>

A. This is the first budget to separate new construction from reconstruction -- only 25 percent of the appropriated miles involve new construction.

B. The <u>Explanatory Notes</u> also break appropriated funds into those costs associated with: (1) engineering support for the purchaser credit program; (2) planning and engineering for appropriated roads; and (3) actual construction and reconstruction costs. Only $62 million involves actual construction and reconstruction costs. Support for the purchaser credit program accounts for almost one half of the request.

C. The Forest Service is currently compiling a data base showing costs and timber volumes associated with each individual project in the FY 1988 budget request. These data will be available in mid-April.

III. The Forest Service Is Making Significant Progress in Reducing Road Construction Costs

A. The Agency has made significant savings by reducing:

- road standards
- contract prices through increased competitive bidding for road construction contracts
- administrative costs

B. The Agency is currently developing a program to achieve a 5 percent reduction in average cost per road mile compared to FY 1985 costs.

STATEMENT OF JAMES RILEY, EXECUTIVE VICE PRESIDENT, INTERMOUNTAIN FOREST INDUSTRIES ASSOCIATION

Summary
Timber Sales Below Cost

I. THE PROFITABILITY OF THE TIMBER SALES PROGRAM IS RELATED TO THE HEALTH OF THE WOOD PRODUCTS MARKET

A. Wood products markets are improving.

- Total softwood lumber consumption has increased 36 percent since 1982.

- Lumber prices have increased by 15 percent since December 1986.

B. Improvements in the wood products markets are passed along to raw material suppliers.

- In FY 1988, the industry harvested 11.8 BBF of Forest Service timber, the highest harvest level since 1973.

- The average price paid for Forest Service timber during FY 1986 was 25 percent higher than the price paid in FY 1982.

- Forest Service bid prices for the first quarter of 1987 increased approximately 17 percent over the previous quarter.

II. THE FOREST SERVICE IS MANAGING THE TIMBER SALES PROGRAM MORE EFFICIENTLY

A. Timber sales costs are generally less today than they were several years ago.

- Cost reduction initiatives have occurred in all regions.

- In Region 1, for example, the Agency reduced costs by almost $1.1 million in FY 1986.

B. The Forest Service is more aware of the need to ensure that the timber sales program is managed efficiently.

- The Chief mandated cost reductions on individual sales packages in April 1984.

- In April 1985 the Chief directed each national forest to address the below cost sales issue in each forest plan.

- At the direction of Congress, the Agency is developing a better cost-accounting system scheduled for release this year.

- On its own initiative, the Forest Service has formed 14 Productivity Improvement Teams to evaluate opportunities for cost savings and productivity increases in the timber sales and road construction programs.

C. Through the new accounting system, the Forest Service is beginning to quantify the costs and benefits of multiple-use objectives of the timber sales program.

STATEMENT OF THE AMERICAN HORSE PROTECTION ASSOCIATION, INC.

The American Horse Protection Association, Inc., appreciates this opportunity to express its views concerning the proposed $14,774,000 appropriation for the Bureau of Land Management's programs to protect and manage wild horses and burros during Fiscal Year 1988. AHPA is a non-profit humane society dedicated to the welfare of horses and other equines. One of its principal interests has been the protection and preservation of the Nation's wild, free-roaming horses and burros, which inhabit the public lands in ten western states.

AHPA recommends that the proposed appropriation be reduced by $5 million, to $9,774,000, to eliminate the costs associated with gathering 10,000 wild horses and burros during the fiscal year, and caring for them pending adoption. The proposed FY 88 removals are totally unnecessary, and should not be funded. AHPA makes this recommendation on the assumption that a $9.774 million appropriation will contain adequate funds to care for the animals already in holding corrals at the beginning of the fiscal year until they are adopted, and will not require BLM to destroy healthy animals due to financial constraints.

The Bureau's stated management goal for wild horses and burros is to reduce their populations to about 25,000: 21,000 horses and 4,000 burros. This will require a reduction of almost 60 percent from the 1984 population of 60,300; the public lands had supported an average population of about 60,000 for the ten-year period 1974-84. BLM's target population of 25,000 animals is significantly below the population that was on the public lands in 1971, when Congress found that wild horses and burros were "fast disappearing from the American scene," and passed legislation to protect them.

According to AHPA's estimates, as a result of removal efforts during the last two fiscal years there are currently 35,000 - 40,000 wild horses and wild burros on lands administered by the Bureau of Land Management. Approximately 1,850 animals of both species are found on lands administered by the Forest Service. BLM's estimate of the population is about 46,000, because it assumes that the herds will increase at a rate of 16-18% per year. Yet that assumption has been refuted by the Committee on Wild and Free-Roaming Horses and Burros of the National Academy of Sciences, which wrote in 1982:

> Three investigators . . . concluded that the annual increase rates for horse populations

> implied by published information from several studies on reproductive and survival rates must be considerably lower than the 16 to 18 percent commonly inferred from [BLM] censuses and might conceivably be below 10 percent.

NAS, Committee on Wild and Free-Roaming Horses and Burros, Final Report, p. 14 (emphasis added). AHPA's calculations are based on a 10% reproduction rate.

Even using BLM's data, the current wild horse and burro populations are approximately 20 percent below what they were in 1974, only three years after the Wild, Free-Roaming Horses and Burros Act (Pub. L. No. 92-195) was enacted. (BLM data indicates that the 1974 populations were 42,666 horses and 14,374 burros.) The current low populations were reached by the removal of 31,000 animals in FY 1985-86, at a cost of $33.7 million. As FY 1987 began, therefore, the public lands supported about the same number of horses and burros as they did in 1972.

BLM commonly claims that removals of this magnitude are necessary to protect rangeland resources threatened by overpopulations of wild horses and burros. However, wild horses and burros make up only a very small fraction of total public rangeland grazing animals. By comparison, over 4.3 million livestock graze on BLM lands in the ten western states where wild horses and burros are found; over 2 million graze on Forest Service lands in those states. It is estimated that over two million big game animals use BLM lands alone.

As a result, the 1984 population of wild horses and burros accounted for only about four percent of the resources consumed by large grazing animals on lands administered by BLM. The current population consumes much less. Finally, the National Academy of Sciences found, in its 1982 Final Report, that there were few examples of severe rangeland degradation attributable to grazing by wild equines. Therefore, the need to spend tens of millions of scarce tax dollars to round up most of the Nation's wild horse and burro population is doubtful at best.

For the past two years the House Appropriations Committee has eliminated all proposed funding for new roundups for two reasons: (1) the need for additional roundups following the 1985 and 1986 removals could not be demonstrated; and (2) the 1985-86 roundups had left a backlog of about 10,000 animals awaiting adoption at the end of FY 1986, because roundups had outpaced the ability of the adoption system to find homes. (Despite that fact, over 18,800 adoptions took place in FYs 1985-86).

Nevertheless, last year Congress appropriated $17,777,000 to pay to remove approximately 9,500 additional animals during FY 1987, even though BLM had requested an appropriation adequate to round up only 4,500 animals. During the past three fiscal years, therefore, Congress has appropriated a total of $51 million for the wild horse and burro program -- $10 million more than it did in the 12 prior years combined. The FY 1987 appropriation that was ultimately approved ignored the logic of the House Appropriations Committee's position, and will perpetuate the problems of unadopted horses.

BLM has requested $14.8 million appropriation in Fiscal Year 1988 to round up yet another 10,000 animals, and to care for the animals being held while awaiting adoption. AHPA understands that BLM plans to remove about 10,000 animals annually through FY 1991. Given the constraints imposed on all government programs by Pub. L. No. 99-177, this appropriations level is entirely inappropriate and should be reduced dramatically.

As it was last year, the logical place to start is to reduce the requested appropriation by the amount attributable to the cost of gathering and holding 10,000 more horses and burros. The proposed removals are simply not justifiable under any interpretation of the data regarding resource problems on the public lands, nor can they be supported in light of the level of past removals and the backlog of animals awaiting adoption. AHPA does not have adequate information to estimate this amount with precision, but believes that since holding costs alone are estimated by BLM to be $2.55 per day per animal, it could easily exceed $5 million.

Significant additional savings would be available if the Subcommittee were to reconsider the FY 1987 appropriation and transfer funds from the wild horse and burro account to other meritorious Interior Department programs that have been underfunded in recent years. By reducing the numbers of animals removed unnecessarily from the range in FY 1987, the portion of the FY 1988 appropriation attributable to holding costs pending adoption could be reduced even further.

The wild horse and burro program has been the subject of considerable controversy in recent years. While the merits of the controversy generally are not within the Subcommittee's jurisdiction, it is certainly appropriate for the Subcommittee to consider one significant fact: the FY 1987 wild horse and burro populations are lower than they have been at any time since 1972, and the FY 1987 removals will reduce them even further. In 1972 no one was concerned that wild horse and burro populations were excessive, or were causing environmental damage.

It is entirely inappropriate to continue to fund needless removals of wild horses and burros from the public lands when other valuable Interior Department programs to protect endangered species and wildlife habitant have been persistently underfunded. The Subcommittee should eliminate funding for wild horse and burro roundups in FY 1988, and should give serious consideration to a reallocation of the FY 1987 appropriation.

Statement of the American Forest Council

The American Forest Council is jointly sponsored by the National Forest Products Association and the American Paper Institute and represents the private forestry interests of the forest products industry. Together, these associations represent more than 2,500 companies throughout the United States and Canada engaged in timber growing and harvesting and in the manufacture and distribution of forest products.

We preface our remarks by pointing out our belief that, like the companies that make up our associations, the federal government must continue to search for and find more operating efficiencies that will provide better services at less cost to the public. We strongly support the achievement of the deficit reduction targets established by the Deficit Control Act of 1985 and suggest that reprogramming and reallocation of dollars from lower priority programs in agricultural research is certainly preferrable to additional federal spending. We point out that funding for agricultural research has continued to climb while that for forestry research has remained essentially flat.

FOREST SERVICE RESEARCH

The American Forest Council recommends a FY 1988 budget for Forest Service Research of $131.2 milllion--$9 million above the proposed budget. This increase should be distributed as follows:

Forest Inventory and Analysis funding should be increased by $1 million to $17.8 million. These additional funds should be directed to accelerating research on more efficient sampling methods for the nationwide forest inventory and to improving the analysis and reporting of forest inventory field data.

While the proposed budget would maintain the current forest inventory cycles in all regions, it does not provide sufficient funds to assure the accurate and timely analysis of the survey data. The collection of data is but one step in the development of useful information.

The second and equally important step is the analysis and reporting of the data.

The Competitive Forestry Research Grants Program should be maintained and funded at the $8 million level in FY 1988. We also recommend that the program continue to address basic research needs in forest biology/biotechnology and wood utilization.

We strongly believe that the competitive grants awarded under this program are the best way to stimulate new, innovative basic research. Research that is vital to developing the technologies necessary to maintain and expand our position as a world leader in forest products.

Other Programs

Additionally, we urge the Forest Service to continue to give priority attention to research in intensive silviculture, particularly biotechnology; forest harvesting; and forest health, including integrated pest management.

We also congratulate the Forest Service for its efforts to improve program efficiency through the consolidation of research activities, laboratories and funds and urge that this continues.

STATE AND PRIVATE FORESTRY

The American Forest Council supports reductions in Federal funding of private forestry programs and activities that are rightfully a state responsibility. However, the

proposed reductions in State and Private Forestry are disproportionate in relation to other Forest Service programs and the remaining funds appear to be inadequate to carry out priority federal responsibilities.

We urge that Federal programs carried out through State and Private Forestry focus on multi-state or national activities where the federal government has unique responsibilities and where federal involvement is essential for program management efficiencies.

An example of such a program may be a new marketing initiative to assist U.S. forest products producers to become more competitive both at home and abroad. Should such an effort be authorized and funded, we urge that it be closely linked to and coordinated with the existing Foreign Agricultural Service program. Additional areas of emphasis, in priority order, should be:

- Fire Protection programs with particular emphasis on national fire training programs, interstate fire coordination, and the development and transfer of new fire fighting technology to the States.

- Forest Pest Management programs addressing pest surveys, technical assistance and the transfer of new technology to the States, and emergency suppression funding.

- Forest Management programs specifically aimed at improved forest productivity from private, nonindustrial lands. Such federal involvement should be focused to address specific needs at a regional or multi-state level. We believe that the current pilot

project in focused federal assistance in the Northeast is a step in this direction and urge that it be implemented nationally.

- o Improved Data Collection with emphasis on annual harvesting and planting data along with continued support and coordination of state forest resource planning.

- o Improved Internal Management Efficiencies to reduce overhead and maximize support of field programs.

We appreciate the opportunity to comment on the proposed FY 1988 budget for these Forest Service programs. If members of the committee have any questions concerning these recommendations, please contact Mr. Robert Slocum, Vice President-Forest Policy and Research, at 463-2456.

STATEMENT OF CYNTHIA LENHART, WILDLIFE SPECIALIST, NATIONAL AUDUBON SOCIETY

FISH AND WILDLIFE SERVICE

FISH AND WILDLIFE ENHANCEMENT

ENDANGERED SPECIES

Consultation: + $150,000

Additional consultation monies are needed to support two full-time equivalents (FTEs) in Region 6, where an inordinate amount of time and effort must be expended on complex and controversial impact analyses on the grizzly bear, gray wolf, Colorado and Platte River species.

Recovery: + $2,270,000

Grizzly Bear. Region 6 of the Fish and Wildlife Service (FWS) cooperates with the Interagency Grizzly Bear Committee, and must support IGBC-established priorities for recovery of the bear. In FY 1988, the Service needs an additional $125,000 to assist in the collection and analysis of data to assess delisting in the Northern Continental Divide Ecosystem, trend monitoring in all ecosystems, and population augmentation in the Cabinet Mountains.

Colorado River Species. The National Audubon Society is concerned that the Service cannot continue to participate in the Upper

Colorado River Recovery Implementation Plan without additional funding. We request that the Committee provide the FWS with an additional $100,000 to act on established priorities of that plan, including an important study of water rights acquisition requirements.

Whooping Crane. The cross-fostered flock of cranes suffered a poor breeding season last year -- just 11 eggs were produced, and only two chicks survived to Fall migration. Greater control of predators may be in order at Grays Lake National Wildlife Refuge (NWR); better water management is needed at Bosque del Apache NWR; and more attention must be paid to crane pairing activities on the breeding grounds. The Society urges the Committee to make an additional $200,000 available to the whooping crane recovery coordinator so that the Service can increase its on-the-ground effort to improve the status of the Grays Lake/New Mexico population.

Black-footed Ferret. Region 6 of the Service needs $100,000 in FY 1988 to continue ferret propagation efforts. These monies will be used to support work on behavior, habitat use, predator-prey interactions, dispersal, reproduction and mortality -- with the long-term objective being successful release of captive-bred ferrets to their native habitat.

West Indian Manatee. The Service needs to focus its attention on the impacts of wake and boat speed on grass flats in critical manatee habitat. During cold weather, many of Florida's manatees depend on the aquatic grasses of the Hobe Sound NWR, and biologists suspect that speed restrictions may be necessary to protect habitat as well as prevent collisions with individual manatees. We request that the Committee appropriate a total of $200,000 for manatee recovery work through Region 4 -- $80,000 for wake/sea grass analysis, and $120,000 for accelerated telemetry studies to further understanding of manatee behavior and preferred habitat.

California Sea Otter. Region 1 of the FWS needs an additional $250,000 to support two full-time employees to maintain the newly-established "management zone" off California's coast free of otters year round. This amount would cover salaries, one-time moving expenses (to move sea otter recovery coordinator headquarters from Sacramento to Ventura), and costs of operating both a FWS law enforcement vessel and a contracted vessel. Without these additional funds, law enforcement protection of the sea otter colony will be reduced, further endangering the species, and the Service will not be able to adequately comply with the law's containment provisions.

Platte River Species. Additional funds on the order of $200,000 are needed for the Service to fully participate in a multi-state/agency effort to resolve the conflict on the Platte River between endangered species and water development projects. Habitat suitability models must be developed to help determine flow needs of the endangered species, and habitat monitoring, hydrology studies, and data analysis should be intensified.

Attwater Prairie Chicken. Since it was listed 20 years ago, this sub-species has declined dramatically to a single population of 875 birds. While the Service attempts to establish a second population in Victoria, Texas, habitat management must be initiated on off-refuge lands. The recovery plan highlights steps which must be taken to improve grassland habitat vital to the prairie chicken, such as prescribed burning to control the invasion of woody plants. The Service needs an additional $65,000 to carry out this important work.

Sea Turtles. The FWS has responsibility for promoting the recovery of seven species of sea turtles which feed in U.S. waters and nest on U.S. beaches. As nesting beaches are destroyed, foreign exploitation continues, and population declines outstrip existing Service resources. The President's FY 1988 budget provides less than $300,000 for both domestic and international sea turtle recovery work. The National Audubon Society urges the Committee to provide the Service with an additional $700,000 to be allocated by the sea turtle recovery coordinator. High priority projects to be carried out both here and abroad include telemetry studies to determine habitat preferences of hawksbill and loggerhead turtles, and coordinated

surveys and protection of nesting beaches in the southeastern United States. Most of these activities will be cost-effectively implemented through contract and cooperative agreements.

Gray Wolf. The revised recovery plan for the gray wolf in the northern Rocky Mountains is soon to be finalized, and the Service must begin to develop and implement zone management and wolf control guidelines. The National Audubon Society urges the Committee to appropriate an additional $160,000 to support the new gray wolf management program in Montana, Wyoming, and Idaho.

Red Wolf. Last year, this Committee provided the Service with $135,000 for reintroduction of this critically endangered species to its native habitat in Alligator River NWR. With this support, four red wolf pairs were successfully placed on the NWR in October 1986. The Service's FY 1988 budget for the red wolf recovery program has been drastically cut to just $86,000. The National Audubon Society urges the Committee to continue its reintroduction program, and provide $170,000 so that the Service may establish an island propagation program. Young produced in this program would be raised in a wild setting, rather than in captivity, facilitating their reintroduction with wolves existing at Alligator River.

Grants to States: + $6,000,000

Once again, the Administration proposes to terminate this immensely successful and cost-effective program which provides the foundation for implementation of endangered species recovery projects. States are anxious to participate in this program, but are understandably affected by constant uncertainty over the availability of Section 6 funds, which wreaks havoc on planning. While there are now four times as many state cooperative agreements -- and twice as many listed species -- as there were in 1977, appropriations have remained fairly constant since that time. The Section 6 pie is so small and being sliced into so many pieces, that many states and most listed species currently receive no benefit from the state grants program. There is clearly a need for funding to increase three or four-fold. National Audubon Society urges the Committee to provide at least $6 million for this program -- the minimum amount to keep this program alive.

ECOLOGICAL SERVICES

Pre-Development Consultation: + $4,000,000

The Food Security Act of 1985 (PL 99-198) which governs basic farm programs until reauthorization in 1989, contains several provisions requiring action by the FWS:

- Section 2131, the Conservation Reserve Program, provides for payment to farmers to remove highly erodible croplands from commodity production and plant such land into permanent grass or trees. Section 1234 provides for lands that are adjacent to streams or water bodies to be planted in grass, filter strips and windbreaks. The FWS, working through its field offices, must assess the potential fish and wildlife benefits of these lands, and identify crop lands that contribute an excessive amount of pesticides and fertilizers into adjacent water bodies.

- Section 1222 prohibits payment of subsidies to farmers who convert wetlands to commodity production. FWS officials must be consulted in identification of wetlands to be exempted from this provision.

- Section 1314 provides for farm properties in the Farm Home Administration (FmHA) inventory to be restored, allowing wetlands and floodplains to return to their natural functions and regain their ecological value. The Department of

Agriculture (USDA), with technical help from the FWS, grants or sells these properties as conservation easements to nonprofit organizations, local entities, or state agencies. The FWS is required to ascertain deed restrictions and other terms of the transfer. As 1.5 million acres are currently in inventory, and as many 5 million more acres are expected to be given to FmHA, FWS workload can be expected to increase.

- Section 1318 provides for the FWS to aid the FmHA in selecting real property which USDA may acquire for conservation easements for recreation or wildlife purposes. FWS officials are to help formulate terms and conditions, and enforce such easements which may reach a total of 400,000 acres in FY 1988.

These properties, obtained through voluntary conveyance or foreclosure proceedings, cost the government in terms of management and administrative expense. Some farms have been sold many times, only to be returned to FmHA for resale. The more efficiently such properties can be disposed of to protect and restore important fish and wildlife habitat, the more public funds as well as resources are conserved.

While the Service's budget does not have a line item for Food Security Act implementation, the National Audubon Society urges the Committee to consider an appropriation of $4,000,000 for this purpose. One-third of this funding would be allocated to interagency coordination, site reviews, plan formulation and monitoring. The remaining two-thirds would be earmarked for actual construction of wetland restoration features. Geographic distribution of the funds would be as follows:

- Lower Mississippi River Valley $1,500,000
- Prairie Pothole Region $1,500,000
- Lower Great Lakes/St. Lawrence Basin $ 500,000
- Middle-Upper Atlantic Coast $ 500,000

The mandates of the Act are not only critically important to the preservation of wetland habitat and wildlife resources, but also will constitute a more efficient use of federal tax dollars by preventing misuse of land at federal expense.

ENVIRONMENTAL CONTAMINANTS

Contaminant Field Operations: + $1,000,000 / 12 FTEs

There are 50 FWS field offices that carry out contaminant field activities -- designing studies and sampling protocols, collecting and shipping samples to be analyzed, and interpreting data. Not all offices, however, have a full time, trained contaminant specialist to perform these important functions. The Service desperately needs additional funds and trained personnel to handle the increased workload stemming from the newly realized refuge system contamination problem. The President's budget provides just $3.8 million and 38 FTEs for contaminant field operations. We urge the Committee to provide the Service with an additional $1 million and 12 FTEs so that each field station can process refuge contaminant samples more quickly and with greater technical precision.

REFUGES AND WILDLIFE

REFUGE OPERATIONS AND MAINTENANCE

Operations -- Alaska Refuges: + $1,600,000

Biological Data Base. Eighty-five percent of the refuge system's lands -- 77 million acres -- are in Alaska. Alaska refuges, however, receive slightly less than 10 percent of the refuge system's total funds, and

are staffed with an average of just one FTE per 650,000 acres. The Service's limited financial and personnel resources have greatly hampered progress on baseline resource inventory. The paucity of information on habitat and wildlife populations has made it virtually impossible to make compatibility determinations. These data are essential for successful completion and implementation of Comprehensive Conservation Plans (CCPs). Section 304(g) of the Alaska National Interest Lands Act, in fact, mandates the inclusion of baseline biological information in the CCPs. We strongly urge the Committee to provide the Service with an additional $1,000,000 to enhance data collection capabilities on Alaskan refuges.

Arctic Geese. As we have testified before, there has been a drastic decline in populations of four species of geese which nest on the Yukon-Kuskokwim Delta of western Alaska. For the past three years, this Committee has generously supported research and management efforts to forestall any further decline of these species. One aspect of this effort has proved most successful -- a community education program initiated in FY 1985 by the Yukon Delta National Wildlife Refuge. This program has served to make local village members aware of the extent of, and possible reasons for, the decline. The education program has opened lines of communication between subsistence hunters and the Service. The President's budget cuts the funding for this program; the Service will be unable to continue it unless the Committee provides an increase of $300,000. In addition, the Service needs $300,000 to focus on declining emperor goose populations. With these funds, FWS biologists will be able to expand surveys, determine the magnitude and source of goose mortality, and establish new breeding populations.

Refuge Water Rights: + $142,000

To further its ability to manage refuge lands, the Service must coordinate with other agencies in documenting water rights, provide expert witnesses at adjudication hearings, and accurately measure water flow and usage. The National Audubon Society urges the Committee to restore funding for this activity to the FY 1988 base of $317,000,

Accelerated Refuge Maintenance and Management: + $14,334,000

The FWS estimates that roughly $60 million per year is needed to protect its $2 billion investment in refuge facilities. While the refuge maintenance budget has risen substantially over the past four fiscal years, the ARMM program has fallen far short of its goal to increase annual refuge maintenance by $8 million per year. We urge the Committee to restore funding for this program to the FY 1988 base level of $31.902 million, and recommend that $1.0 million be earmarked to continue the Service's participation in the Youth Conservation Corps program.

LAW ENFORCEMENT OPERATIONS

Forensics Laboratory: + $300,000

The Society does not agree with the notion of zero-funding the forensics laboratory until construction is completed. While the laboratory is being built, the Service should proceed with purchase of equipment. About $300,000 is needed in FY 1988 to buy film processors, pH meters, glassware, and office furniture.

MIGRATORY BIRD MANAGEMENT

"Nongame" Birds: + $1,760,000

While the federal government is charged with the conservation of 832 species of migratory birds, 90 percent of these are largely ignored by the FWS. Despite the number of people interested in the conservation of all wildlife, a constituency which includes hunters and non-consumptive users

alike, the FWS continues to focus its attention on the 10 percent of U.S. bird species that are either hunted or endangered.

The Service's tunnel vision can be partly excused by funding realities. Research and management on species of economic or sport value is supported by the substantial revenues generated by hunters through the Pittman-Robertson tax on sporting arms and ammunition and the purchase of "Duck Stamps" for waterfowl hunting. Threatened and endangered species recovery funds are made available under authorization of the Endangered Species Act.

In 1980, Congress recognized the need for broadening conservation activities when it passed the Fish and Wildlife Conservation Act (FWCA). The FWCA promotes the conservation of all fish and wildlife species by authorizing the appropriation of up to $5 million per year to be distributed to the states as matching funds to help finance state "nongame" programs. To date, however, the FWCA has yet to be implemented; no money has been appropriated as Congress searches for an adequate funding mechanism.

Meanwhile, at least 28 migratory bird species are in a serious state of decline. The Service has dubbed these "National Species of Special Emphasis" [NSSEs], but has yet to do much more than that. In 1983, FWS' Migratory Bird Management Office drafted a plan for the management of "nongame" migratory birds, with particular research and conservation efforts to be directed to the NSSEs headed for endangered status. No further action on this plan has been taken. No national strategy has been developed to arrest the decline of "nongame" bird species in trouble.

Some states have shown initiative in launching "nongame" conservation programs, but critical information gaps on declining species persist because of the lack of federal guidance or coordination.

Implementation of a comprehensive management program for all U.S. bird species is long overdue. The FWS' legal responsibilities in this regard are clearly mandated. A program based on federal leadership and coordination, with state implementation, is a practical approach -- and one successfully modeled on endangered species recovery efforts. In the long run, greater federal involvement in "nongame" species conservation makes a good deal of economic sense, for only with a coordinated effort can the decline of many migratory bird species be arrested, and savings realized from preventing these species from joining the growing list of endangered species. Government, industry, and the public will all be winners.

The National Audubon Society believes that the Service's draft "Nongame Migratory Bird Management Plan" should be dusted off and implemented immediately. The FWS must begin to coordinate state "nongame" research, and prepare to guide an increased level of state activity when funds start to flow from the FWCA funding mechanism developed during reauthorization of the Act in this Congress.

The National Audubon Society strongly urges the Committee to provide an additional $1.76 million to allow the Service to fully implement the draft "Nongame Migratory Bird Management Plan."

Under "nongame" species research, FWS' FY 1988 budget justification shows a budget of $1.432 million and 46 FTEs. These budget and staffing figures are misleading, representing the sum total of FWS activity on all types of "nongame" wildlife -- mammals, fish, birds, reptiles, and amphibians. The Service's FTE figure apparently encompasses all those employees nationwide who may spend a portion of their time on "nongame"-related activities.

From our analysis of current FWS activity on nongame migratory bird species, we have determined that approximately $980,000 is in the President's budget to support work carried out by the division of Migratory Bird Management on nongame species. [See Attachment I for more detail on existing expenditures.]

The proposed $1.7 million add-on would support full-time nongame coordinators in every FWS regional office as well as the Washington office, who would work together to set national policy, priorities, and goals to be implemented by the states. These coordinators, focusing exclusively on "nongame" migratory bird species management, would work with the states to ensure that research projects cover all bases and are not duplicative. In addition, this funding would support a federal research component to provide leadership on development of population monitoring techniques and assessment of broad-scale habitat changes and environmental influences. Attached to this testimony, for the Committee's information, is a document detailing this proposal.

Migratory Bird Subsistence Hunting Regulations: + $350,000

In May 1986, the FWS issued a Notice of Intent to establish regulations governing subsistence harvest of migratory birds in Alaska. The Service needs an additional $350,000 in FY 1988 to work with native groups in developing a harvest management strategy.

Western Hemisphere Convention: + $109,000

For the sixth year in a row, the Administration has not budgeted adequate funds to support this nation's participation in the Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere. This program, among other things, helps in the protection of migratory birds that breed in the U.S. but winter in Latin America. The President's budget provides just $390,000 for implementation of this program in FY 1988. This Committee has generously provided add-ons for the past five years; we must ask you to do so again.

RESEARCH AND DEVELOPMENT

FISH AND WILDLIFE RESEARCH CENTER OPERATIONS AND MAINTENANCE

Contaminants Research: + $900,000 / 3 FTEs

Operational Assistance and Sample Analyses. This aspect of contaminants research supports field operations with in-house or contracted analysis of contaminant samples. Given that the number of these samples is expected to rise exponentially with the national wildlife refuge studies that are taking place, the Service must increase its capability to process samples quickly and still assure quality control. The FWS recently developed a computerized information system that will make analytical and geographical data available to contaminant specialists in the field. However, there are no funds in the FY 1988 President's budget to support staff to operate the system. The Society urges the Committee to provide the Service with an additional $400,000 and three FTEs for this purpose.

Laboratory analyses of contamination of soil, water, tissue, and sediments are very expensive to conduct. Since the Service is currently incapable of handling all samples in-house, it must contract out a good portion of the work. The President's budget provides just $527,000 for this activity. We urge the Committee to appropriate an additional $500,000 to help eliminate the backlog of samples to be analyzed.

Wildlife Research: + $500,000

Polar Bear. Information is needed on the status and trends of Alaska's polar bear populations. Oil and gas development in the Arctic region poses a potential threat; impacts on individual animals and the population as a whole must be assessed. The polar bear is the subject of international interest, since the U.S. shares the Chukchi Sea population with the Soviet Union. The U.S.S.R. has completely protected polar bears since 1955, and is highly critical of unregulated subsistence hunting in the U.S; research is

necessary to determine if such hunting is adversely impacting the population. An additional $300,000 will support both research thrusts.

Walrus. The President's budget terminates research on the walrus, with the justification that latest population estimates indicate no statistically significant change in numbers. Many researchers believe, however, that current survey techniques do not accurately assess the impact of subsistence hunting on population size. The Service needs $200,000 in FY 1988 to continue its walrus research. This amount will cover studies to refine telemetry and survey techniques, and develop a harvest management plan.

Endangered Species Research: + $100,000

Brown tree snake. Predation by the introduced brown tree snake has caused a serious decline in numbers of seven species of birds found only in Guam. With just $20,000 slated for use in FY 1988, the Service is working with the military on Guam to prevent the spread of this predator to other islands, including Hawaii. We urge the Committee to provide an additional $100,000 in research monies so that the FWS can intensify studies on the ecology of the snake and methods of controlling it.

ANADROMOUS FISH CONSERVATION ACT GRANTS-IN-AID

Grants to States: + $1,500,000

As it has in years past, the Administration proposes to terminate this program in FY 1988. We urge the Committee to restore this program to the FY 1988 base level of funding.

Emergency Striped Bass Study: + $500,000

The Service must continue its monitoring of striped bass populations to determine their response to moratoria in Maryland and Delaware and restrictive regulations elsewhere. Ultimately, the Service will use this information to develop management protocols for harvest after the crisis has passed. The President's budget zero-funds this important project; National Audubon strongly urges the Committee to continue funding for the emergency study of this species, at the FY 1987 level of $500,000.

MIGRATORY BIRD CONSERVATION ACCOUNT

The National Audubon Society recommends that the balance of the Wetlands Loan, $3.561 million, be advanced for purchase of priority wetlands.

LAND AND WATER CONSERVATION FUND

The National Audubon Society has joined with a number of other environmental organizations in providing the Committee with a comprehensive list of FWS LWCF projects, which the Society believes reflects the true level of funding needs. In consideration of fiscal reality, the following is a list of our priorities for FY 1988.

FWS ACQUISITION PRIORITIES
FY 1988

Acquisition Unit	Cost $M	Acres
Alligator River, NC	$ 4.000	10,400
Animas, NM (Gray Ranch)	8.500	100,000
Ash Meadows, NV	0.700	*
Attwater Prairie Chicken, TX	3.000	2,845
Bog Brook, ME	0.350	1,000
Buenos Aires, AZ (Arivaca Creek)	0.500	1,640
Canaan Valley, WV	1.000	2,000
Chincoteague, VA	0.850	408
C. M. Russell, MT	0.125	640
Colusa, CA	2.000	1,040
Crystal River, FL	1.200	806
East Grasslands, CA	3.600	5,126
Fakahatchee Strand, FL	3.500	6,000
Finnigan Cut, CA	5.000	5,000
Great Swamp, NJ	1.700	280
Hawaiian Forest Birds, HI	4.000	8,000
J.N. Ding Darling, FL	2.000	120
Kirtland's Warbler, MI	0.500	1,000
Klamath Forest, OR	7.000	22,500
Leslie Springs, AZ	0.300	1,240
Lower Rio Grande Valley, TX	12.000	11,000
Lower Suwannee, FL	5.200	16,122
Matagorda Island, TX	5.250	330
Minnesota Valley, MN	2.000	820
Mississippi Sandhill Crane, MS	3.000	3,500
National Key Deer, FL	2.500	800
Rachel Carson, ME	1.000	380
San Francisco Bay, CA	2.000	3,140
Sunkhaze Meadows, ME	0.800	4,500
Tensas, LA	3.000	3,000
Wertheim, NY	1.100	217
Acquisition Management	2.000	
Inholdings	2.500	
TOTAL	$ 92.175	

*Road Access

GENERAL RECOMMENDATIONS

FY 1987 Rescissions. The National Audubon Society is dismayed by the Office of Management and Budget's effort to rescind such a large proportion of monies appropriated in FY 1987 for the FWS. Almost 87 percent of funds for construction were rescinded; 63 percent of funds for land acquistion, and $20.5 million of $30 million in resource management funds added by the Committee were rescinded. We stongly urge the Committee to disapprove of the entire rescission order.

Sport Fish Restoration Account. The National Audubon Society is adamantly opposed to the transfer of $25 million from the Sport Fish Restoration Account to finance Fish and Wildlife Service resource management.

Garrison Diverision Project, North Dakota. Last year, Congress passed the Garrison Reformulation Act, which contained specific directions to the Bureau of Reclamation concerning habitat mitigation. It is our

understanding that the Bureau has done virtually nothing to implement the Act's provisions which relate to wildlife.

The Act requires the Kraft Slough area, with its unique wildlife values, to be acquired and included in the National Wildlife Refuge System. The FWS has prepared a plan to carry out this requirement, but the Bureau has done nothing so far. The Act requires that wildlife mitigation be concurrent with or in advance of project construction, but mitigation is well behind construction. The Bureau's budget request for FY 1988 shows no funds set aside for either mitigation efforts or acquisition of Kraft Slough.

The Act also indicates that Lonetree Valley should be managed for wildlife purposes. Most of the land in the Valley has been acquired, so management of this area for wildlife should be a low-or no-cost item for the Bureau, but the Bureau has yet to act.

We estimate that the cost of acquiring Kraft Slough at $1.2 million, and of bringing mitigation concurrent with project construction on the order of $1.2 - $2 million. The Society will be recommending to the Energy and Water Appropriations Subcommittee that funds for Garrison be earmarked to ensure that the Bureau allocates money for mitigation and Kraft Slough acquisition.

While the Garrison Diversion Project falls within the Energy and Water bill, we ask that the Committee voice its intent to monitor implementation of the mitigation and wildlife aspects of this project.

FOREST SERVICE

FOREST RESEARCH

Acid Rain Research: + $2,100,000

Acid rain is generally regarded as the greatest threat to the health of this nation's forests and waters. This Administration has put off taking substantive action to combat the problem, stating that more research is needed. Year after year, however, the President proposes to cut funds for the very research he claims is needed. The FY 1988 budget for the Forest Service's (FS) atmospheric deposition research is reduced to $10.6 million from the base level of $12.7 million, a 17 percent reduction. The national vegetation survey and studies regarding the effects of acid rain on specific ecosystems and watershed processes will be phased down considerably.

We urge the Committee to maintain the current level of funding for this important program, and restore $2.1 million to the Forest Service's acid rain research budget.

Wildlife, Range, and Fish Habitat Research: + $1,684,000

The President's FY 1988 budget provides roughly $11.5 million for wildlife, range, and fish habitat research, which translates into an actual reduction of $684,000 from FY 1987 because of required absorption of pay act and retirement costs. This reduction, though relatively modest, will have a severe impact on a program that is already suffering a bare bones budget. Important research -- including studies of the Sitka black-tailed deer, the grizzly bear, Douglas fir old growth, spotted owl, and Puerto Rican parrot -- will be reduced significantly if this money is not restored.

The National Audubon Society requests the Committee restore $684,000 to this program, so that ongoing research projects may proceed.

In addition, we ask that the Committee consider a modest increase of $1 million to support several high priority research projects that are not

covered in the FY 1988 base budget. We recommend that $250,000 of this amount be earmarked for spotted owl research at the Arcata laboratory.

With this amount, the Service can accelerate or initiate research on:

- moose habitat in the Copper River Delta of Alaska;
- pinyon-juniper habitats of the southwest;
- the effects of timber management on elk and deer in Oregon, wildlife in eastern and southern hardwood forests, anadromous fish on the west coast; and resident cold water fish in the north central U.S.

WILDLIFE AND FISH HABITAT MANAGEMENT

Wildlife and fish habitat management on the National Forest System has become increasingly more important -- and difficult -- as development pressures, public demand, and legal requirements grow, while funding and staff shrink.

The Multiple-Use Sustained-Yield Act of 1960 requires the Forest Service to give fish and wildlife due consideration in National Forest System management, and Forest Service policy requires that fish and wildlife receive "co-equal" consideration with other resources. But in fact, wildlife and fish have minor roles in the system's management compared to commodity uses. In 1984, for example, timber met 98 percent of its Resources Planning Act accomplishment goals, and minerals 120 percent -- while wildlife and fish habitat improvement achieved only 25 percent.

Though funding for wildlife and fish has remained fairly constant in recent years, there has been a nine percent decline in spending power since 1980. Allocation of funds has shifted as more money is needed to mitigate the effects of other resource activities such as timber harvest and grazing. In the past six years, the number of acres directly improved for wildlife has declined by over 60 percent as mitigation and planning needs have increased.

The President's FY 1988 budget proposes a 14 percent reduction in the wildlife and fish habitat management program, from the base level of $44 million to just under $38 million. Coordination receives a modest increase of $1.6 million [while timber sales management is slated for a $13 million increase]. Habitat improvement, as usual, bears the entire brunt of the cut:

Reductions in Habitat Improvement Budget

	1988 Base	President's Budget	% Reduction
Wildlife	6.9	4.3	- 38%
Threatened/Endangered Species	3.7	1.3	- 36%
Anadromous Fish	4.7	2.3	- 51%
Resident Fish	1.8	1.4	- 22%

Wildlife. The forest, range land, and aquatic habitats of the National Forest System support more than 3,000 wildlife species. The system contains more than half the big-game habitat in the United States, with substantial numbers of deer, moose, black bear, bighorn sheep, and elk. In 1984, hunting and fishing in the system accounted for 30.8 million user days.

Threatened/Endangered Species. The National Forest System provides habitat for 85 threatened or endangered species. Although 64 of these species have recovery plans, budget and personnel constrictions limit most recovery efforts to 13 high priority species. Funding for endangered species recovery traditionally amounts to only 8 percent of the total program budget.

Anadromous Fish. The National Forest System also provides more than 50 percent of the spawning and rearing habitat for salmon and steelhead in the Pacific Northwest. In 1982, the Forest Service embarked on a major initiative to restore instream habitats in the Northwest, where salmon stocks are at an

all-time low, due in part to habitat degradation. Since then, this initiative has been hampered by inadequate federal funding.

Resident Fish. The system also contains or directly affects most of the nation's premier trout streams, containing 128,000 miles of fishable streams and 2.2 million acres of lakes and reservoirs. The productivity of fish habitat in the system has declined over the last decade, particularly in the West, because of timber harvesting and livestock grazing.

We strongly urge the Committee to restore funding for wildlife and fish habitat improvement to the FY 1988 base level of $44 million, an increase of $6.174 million to the President's budget.

We also recommend that the Committee appropriate an additional $2.5 million for threatened and endangered species recovery; $2.5 million for anadromous fish habitat improvement; and $1.0 million to intensify management work on the spotted owl.

Spotted owl: + $1,000,000

The National Forest Management Act of 1976 requires the Forest Service to maintain a diversity of plant and animal communities on the National Forest System. To facilitate management for both diversity and population viability, forests select "indicator species," whose status will reflect that of species with similar habitat requirements. The northern spotted owl is one such indicator. Given the level of development activity in its preferred habitat, the owl must be monitored closely to assure that forest management plans do not threaten it -- or other old growth/mature forest species -- to the point where listing under the Endangered Species Act would be warranted.

Last year, this Committee, recognizing the critical need for more information on the spotted owl, appropriated $1.0 million to allow the Forest Service to increase its inventory and monitoring of the species, so that management areas could be more precisely delineated and conflicts in timber sale areas could be resolved.

The Service has initiated an intensified inventory and monitoring program which standardizes techniques, and will soon appoint a spotted owl activities coordinator. However, the $1 million in the FY 1988 base is simply not enough to fully carry out the ambitious program. Inventories have just begun on many of the forests. Covering all of the network sites on any given forest may take several years; owls do not always respond to calls, so determining their presence often requires several visits to each site. (The wilderness and roadless area sites are especially time consuming due to access problems.) So far, monitoring has been limited to designated spotted owl habitat areas in those few forests that have completed the inventory process.

Unless the current level of funding is increased, it will take the Service five years to complete its inventories. Additional funding is needed to speed the inventory process, expand the scope of monitoring, and to support additional biologists to carry out these duties.

Challenge Grant: + $5,000,000

In FY 1986, the Committee appropriated $950,000 in a challenge grant for fish and wildlife habitat improvement; in FY 1987, $1.5 million was also granted. The response from cooperators, over 50 states, federal and conservation organizations, has been enthusiastic. Judging from the number of interested parties, the potential for expanding this program is great. The Society does not believe that a federal challange grant program should replace annual base funding. It is clear, however, that many important habitat improvement projects can be financed by the private sector. We urge the committee to tap the true potential of this program by appropriating $5,000,000 to be matched in kind in FY 1988.

LAND AND WATER CONSERVATION FUND

In 1984, the FWS and the Forest Service signed an agreement initiating a review by the latter to determine which lands meet criteria for purchase by FS as endangered, threatened, sensitive species or "natural significant" habitat. Since then, about $100 million worth of land has been so identified. The National Audubon Society urges the Committee to appropriate $5.88 million from the LWCF in FY 1988 for the following species, which we consider would most benefit from habitat acquisition. Many tracts included in these projects -- like the Rocky Bar O Ranch in the Flathead National Forest, which is prime grizzly bear habitat -- are under immediate threat of development.

FOREST SERVICE ACQUISITION PRIORITIES
FY 1988

Species	Cost $M	Acres
Grizzly bear, MT	4.48	2,500
Red-cockaded woodpecker, GA-NC	1.00	500
Gray wolf, MN	0.40	2,000
TOTAL	5.88	

GENERAL RECOMMENDATIONS

State Assistance. The Administration's proposal to eliminate financial aid to the states will hinder administration of the Conservation Reserve. Lack of funding will also stymie efforts of state foresters and wildlife biologist to help manage private lands for wildlife. We urge the Committee to disapprove this budget-cutting measure.

Knutson-Vandenberg Fund. The Administration proposes to offset the loss of appropriated funds for fish and wildlife management by using $6.2 million of K-V funds. K-V monies have long been used to mitigate habitat loss at specific timber sale areas. The National Audubon Society believes this proposal is inappropriate and urges the Committee to oppose it.

BUREAU OF LAND MANAGEMENT

WILDLIFE HABITAT MANAGEMENT

In its wildlife habitat management program, the Bureau of Land Management (BLM) conducts resource inventories; prepares, implements, and monitors plans to improve habitat; provides management recommendations on all BLM activities to help mitigate adverse land development impacts; and provides for the recovery of threatened and endangered species on its land.

In FY 1987, this multi-faceted program is supported by $16.1 million and 320 FTEs. The FY 1988 base -- the cost of maintaining the same level of activity -- is $17.1 million. The President's budget, however, proposes to cut funding for this program to $14.7 million, a 16 percent reduction from the FY 1988 base, with a loss of 20 FTEs.

A closer look at the Administration's proposal reveals that the threatened/endangered species (T&E) program has been left intact. Major cuts have been slated for resource inventory, monitoring, and management plan development/implementation -- lower profile programs with less likelihood of garnering Congressional support for restoration.

The National Audubon Society strongly urges the Committee to restore BLM's wildlife program to the FY 1988 base level of $17.1 million, by adding $2.4 million to the President's budget.

In addition, we propose that the Committee fund the following activities to bolster the Bureau's protection of wildlife and its habitat. The figures represent increases beyond the FY 1988 base level.

Threatened and Endangered Species: + $1,250,000

BLM lands provide habitat for 127 species that are federally listed as threatened or endangered [82 animals and 45 plants]. Recovery plans have been developed for just 57 of these species, and only 40 of these plans are actually being implemented in the field. BLM is far behind schedule in carrying out the projects for which it is responsible.

The President's FY 1988 budget does not cut funding for BLM's T&E program from the base level of $4.0 million. However, BLM districts have identified an additional need of $1.25 million to allow them to more fully participate in the recovery efforts of such species as the peregrine falcon, bald eagle, piping plover, interior least tern, desert tortoise, black-footed ferret, as well as several plant species. We ask the Committee to support this increase so that BLM can better meet its responsibilities under the Endangered Species Act.

Spotted Owl: + $700,000

The spotted owl, a resident of old-growth forested areas of the Pacific Northwest, is found on BLM lands primarily in Oregon. Like other species for which it is an indicator, it is declining in numbers as old-growth forests are harvested. If management plans do not meet the minimum needs of a viable population, the owl may be listed under the Endangered Species Act. In order to refine timber management directives to assure the continued existence of the spotted owl, BLM must know how populations are doing, how old growth is being used, and how habitat can be managed for the benefit of the species. Specifically, the Bureau's wildlife biologists need to focus on the following:

- **Demography.** (1) Determine rates of reproduction, fledging, survival, mortality, and colonization; establish population trend on BLM lands in southwestern Oregon. [$130,000]
  (2) Analyze occupancy and reproduction data on sites not currently being intensively monitored. [$60,000]
  (3) Intensify the banding program on BLM lands to determine adult survival rate and dispersal patterns, pair fidelity, site tenacity, turnover rates and percentage of pairs producing each year. [$40,000]

- **Habitat Utilization.** Using radio telemetry, determine year-round home range of 5-10 pairs on each western Oregon district. [$250,000]

- **Habitat Inventory.** Conduct systematic inventories of unsurveyed habitat to determine forest stand conditions. [$36,000]

- **Prey Base.** Investigate prey densities and availability in various stand conditions. [$70,000]

- **Habitat Improvement.** Develop and test silvicultural prescriptions and artificial structures for providing spotted owl habitat. Use radio telemetry to assess the impact of timber harvest on site tenacity. [$50,000]

- **Case Studies.** Initiate case studies of spotted owl occupancy in nontypical habitats -- young stands, partial cuts and thinning sites. [$64,000]

Riparian/Fisheries Management: + $200,000

Many riparian areas managed by BLM are seriously degraded from excessive livestock grazing, mining activities, and road construction. With so few fisheries biologists [32 in FY 1987], the Bureau is seriously constrained in its implementation of habitat improvement projects prescribed in existing riparian and fisheries habitat management plans. The President's budget provides just $1.0 million for BLM fisheries management. The FY 1988 base level would provide $1.5 million for this activity. Audubon requests that the Committee provide an additional $200,000 above the base level (or current spending) to improve those riparian areas that support a fishery resource.

Colville River, Alaska: + $300,000

The Colville River area of Alaska supports an extensive fishery and is rich in wildlife -- big game, waterfowl, and raptors (including peregrine falcons and gyrfalcons). The BLM has yet to develop a habitat management plan for this area. A total of $350,000 is needed for plan preparation and implementation over a two-year period.

Challenge Grant: + $1,000,000

In the past three fiscal years, the Committee has provided the Bureau with a modest amount of money as a challenge grant for specific wildlife activities, such as desert bighorn sheep management. We support the continuation of this program at twice this year's funding level of $450,000. Funds should continue to be distributed on a priority basis, with consideration of the availability of matching funds.

STAFFING

BLM staffs a total of 220 offices nationwide -- 151 resource area, 55 district, and 12 state offices, as well as the Denver Service Center and Washington headquarters. In 1980, there were 363 biologists employed by the wildlife habitat management program. This Administration has reduced the number of BLM field professionals by almost 30 percent, to just 256 in FY 1987. The loss of 107 biologists -- 74 wildlife biologists, 24 fisheries biologists, and 9 botanists -- has left many offices no choice but to assign fish and wildlife program responsibilities to non-professionals, who lack sufficient expertise to identify impacts of and alternatives to various land-use actions. As a result, BLM offices find it impossible to provide basic NEPA compliance on land use decisions because of inadequate analysis of fish and wildlife impacts.

This dramatic reduction in professional personnel has been felt most acutely by the high energy development or metropolitan BLM districts. For example, each year the one biologist in Wyoming's Casper District must process an average of 900 applications for oil and gas drilling -- in addition to his/her basic program responsibilites -- monitoring grazing, developing and implementing fish and wildlife activity plans, and processing threatened and endangered species clearances.

Unfortunately, the Bureau cannot even hire seasonal help for field work because under current regulations, temporary employees are included in the FTE ceiling. Audubon urges Congress to take whatever action it can to remedy this staffing problem, which has become a significant roadblock to effective management of wildlife on public lands.

LAND AND WATER CONSERVATION FUND

The National Audubon Society has joined a number of other environmental organizations in providing the Committee a comprehensive list of BLM LWCF projects, which the Society believes reflects the true level of funding needs. We consider the following projects most important based on their wildlife habitat values:

Acquisition Unit	$ Cost	Acres
Carrizo Plains, CA	5.000	22,500
Chuckwalla Bench, CA	0.100	869
Desert Tortoise Natural Area, CA	0.500	587
Eagle Lake, CA	0.100	103
Gray's Lake, ID	0.160	619
Steens Mountain, OR	0.575	
Trout Creek Mountains, OR	0.500	5,500
Warner Lakes Potholes, OR	3.000	15,000
Acquisition Management	1.000	
TOTAL	10.935	

BUREAU OF INDIAN AFFAIRS

WILDLIFE AND PARKS

Other Fish and Wildlife Management: + $140,000

Blackfeet Reservation. Last year, the Committee provided the Bureau with $120,000 to assess grizzly bear status on the Blackfeet Reservation, and develop and implement management strategies in conjunction with the national grizzly bear recovery plan. The Bureau of Indian Affairs (BIA) is in the process of hiring personnel and developing an office for the project on the reservation, but cannot carry out its plans without continued funding at the same level in FY 1988. The Bureau, the Tribes, the Interagency Grizzly Bear Committee, the Lewis and Clark Forest and Glacier National Park have all pledged their support. We urge the Committee to demonstrate its support of this important work, with an appropriation of $120,000.

Flathead Reservation. BIA wildlife biologists are also anxious to finish a grizzly bear habitat survey on the Flathead Reservation. This research is considered an integral part of the recovery plan, and will provide baseline data for the cumulative effects model. We urge the Committee to support this project with a modest $20,000 add-on in FY 1988.

Attachment 1

IMPLEMENTATION OF NONGAME MIGRATORY BIRD MANAGEMENT PLAN

The National Audubon Society strongly urges the Committee to provide the Fish and Wildlife Service with an additional $1.76 million in FY 1988 to fully implement the draft "Nongame Migratory Bird Management Plan." We envision the Service's taking a leadership role as follows:

OFFICE OF MIGRATORY BIRD MANAGEMENT

National Coordination. Provide national identity, direction, and coordination to migratory nongame bird program. Function in advisory capacity

to the FWS Director, regarding implementation of the national migratory nongame bird management plan. Define research and management objectives and priorities and recommend management and conservation actions based on results of research and monitoring efforts. Encourage cooperation among and provide advice to other federal agencies and programs, state wildlife agencies, industries, universities, municipalities, and ornithological and conservation organizations. Cooperate with the FWS Office of International Affairs to fulfill international treaty obligations and to foster conservation of shared migratory bird resources.

Regional Coordination. Represent and act as a liaison for the national program within each FWS regional office. Work directly with nongame project personnel in state wildlife agencies and other organizations. Ensure recognition of national priorities, standardization of methods, and coordination of efforts. Define research and management objectives at regional level and recommend management and conservation actions to national program. Funds requested cover one Regional Coordinator in each of seven FWS regions, plus modest operating and contract support.

Population Monitoring. In cooperation with state and private agencies and volunteer networks, monitor populations within major groups of North American birds. Support or maintain data banks to ensure that data are stored in standardized, accessible formats. Periodically analyze data, synthesize results, and report on the status of migratory nongame bird species. Identify unstable and declining species, and recommend redirection of programs as needed. Funds requested would cover needed staff and modest operating support (e.g., travel and reports). Operating costs specifically cover the following monitoring efforts:

- Christmas Bird Counts,
- Colonial Bird Register,
- International Shorebird Survey,
- Breeding Bird Survey, and
- Raptor Migration Counts.

PATUXENT WILDLIFE RESEARCH CENTER AND OTHER RESEARCH UNITS

Populations & Monitoring Techniques. Evaluate current methods for monitoring bird populations and recommend ways to improve data collection and trend analyses. Develop field-survey methods for species or groups of species not adequately sampled by current survey programs (e.g., marsh species, owls, songbirds not accessible by roads), including seabirds and shorebirds in Alaska. Conduct research on status of unstable and decling species. Requested support would cover needed staff and modest operating support, including one population biologist in the Alaska Office of Fish & Wildlife Research (Anchorage).

Habitats & Environmental Influences. Evaluate effects of broad-scale habitat changes and environmental influences on bird populations (e.g., fragmentation of Neotropical forests; reduced water levels in riparian habitats in western United States; coastal wetlands). Specific mixture of projects would vary from year to year, depending on changing priorities. Intensified research on problems associated with specific declining and unstable species (e.g., effects of gill-net fisheries on seabirds; acid rain on loons). Requested support would cover needed staff and modest operating support, including one habitat biologist each in the Alaska Office of Fish & Wildlife Research, the National Ecology Center (Colorado), and the Northern Prairie Wildlife Research Center (North Dakota).

NATIONAL MUSEUM OF NATURAL HISTORY

Museum-based Studies. Conduct studies on the geographic variation, seasonal distributions, population structure, and taxonomy of North American birds. Curate internationally-significant research collection of bird specimens. Monitor status of migratory birds in Latin America, working

closely with Latin American counterparts. Requested support would cover needed staff and modest operating support (unit presently has no operating support).

Fish & Wildlife Service
Migratory Nongame Bird Management & Research
Proposed Fiscal Year 1988 Budget

Function	FTE	Salary & Benefits	Operating Cost	Total
I. Management				
National Coordination	5.0	$ 213,064	$ 100,000	$ 313,064
Regional Coordination	10.0	344,625	140,000	484,625
Population Monitoring	6.0	228,990	250,000	478,990
II. Research				
Populations & Monitoring Techniques	10.5	343,813	260,000	603,813
Habitats & Environmental Influences	10.5	343,633	220,000	563,633
III. Museum				
Biological Survey	7.0	260,803	35,000	295,803
PROGRAM TOTAL	49.0	$ 1,734,928	$ 1,005,000	$ 2,739,928

Existing Expenditures

I. Management	4.0	$ 250,000
II. Research	14.9	530,000
III. Museum	4.5	199,800
TOTAL	23.4	$ 979,800

Current management budget supports part-time personnel in DC office of Migratory Bird Management, maintenance of Breeding Bird Survey, raptor survey contracts, and computer support. Does not include support for Bird Banding Lab, some functions of which concern migratory nongame birds.

Current research budget supports elements of proposed program, but current levels support insufficent FTEs and little or no operating support.

Current museum budget supports basic curation of collection and some research. Present budget does not include any operating support for the bird project at the museum.

LETTER FROM NEAL M. BARNETT, PH.D., CHAIRMAN, PUBLIC RESPONSIBILITIES COMMITTEE, AMERICAN INSTITUTE OF BIOLOGICAL SCIENCES

March 20, 1987

Chairman Robert C. Byrd
Senate Appropriations Committee
Interior and Related Agencies Subcommittee
SD-114 Dirksen Senate Office Building
Washington, DC 20510

RE: U.S. Fish and Wildlife Service
FY 88 Appropriations

Dear Chairman Byrd:

The American Institute of Biological Sciences (AIBS) is a federation of 40 professional societies and research laboratories representing over 70,000 life scientists. As professional biological researchers and educators, our work is dependent on the preservation of flora and fauna. We are integrally concerned about federal support for the valuable activities of the U.S. Fish and Wildlife Service (FWS) of the Department of Interior. The Public Responsibilities Committee, which functions as an advisory panel to AIBS on matters of national legislation and regulation, wishes to take the opportunity to express its support for increased funding for the Fish and Wildlife Service which is necessary to ensure the conservation of America's natural resources.

We are particularly concerned about the decreases in funding for the Endangered Species Program. As you know, the President's budget shows significant reductions for all functions of the Endangered Species Program including listing, law enforcement, consultation, recovery, and research and development. The termination of grants to states in support for endangered species projects particularly troubles us.

The FY 1988 budget request for listing of endangered species reflects a $350,000 decrease from the FY 1987 current estimate-- from $3.57 million to $3.22 million. A species is listed as "endangered" if it is in danger of extinction throughout a significant portion of its range, or "threatened" if it is likely to become so in the foreseeable future. At present funding levels, species eligible for listing may not be protected for decades. Based on the average of the past 3 years, the FWS would need more than 20 years to handle the backlog of nearly 1,000 known "candidates" for listing. Many such candidates, e.g. the Texas Henslow's sparrow, have become extinct or declined dramatically while awaiting official protection. Thus the proposed decrease for listing would only exacerbate the problem. Instead we support the recommendations presented by the Endangered Species Act Reauthorization Coalition (ESARC) of $7.0 million, which would alleviate the backlog in ten years

Placing a species on the endangered list, however, is only the beginning step toward species survival and recovery. In the FY 88 budget, recovery is funded at $5.82 million, a $570,000 reduction from the FY 87 estimate of $6.39 million. Currently only 243 of the 928 species listed have approved recovery plans, while far less than half of the approved recovery plans have been implemented. We support ESARC's determination that $12.2 million is needed for recovery planning, including revision of plans in order to cover newly listed species and save species already on the list.

As biologists, many of our members are involved with research and development for endangered species seeking new strategies to enhance survival and recovery. Currently the FWS' efforts have focused on biological studies and captive breeding. However, the Administration has again proposed a budget cut for this program from $4.76 million in FY 87 to $4.74 million in FY 1988. We support ESARC's assertion that $5.0 million would better allow for the continuation of studies critical to the survival of species on the brink of extinction.

We urge the subcommittee to continue funding for the state cooperative agreements program. An enhancement of $15 million would allow for effective endangered species programs at the state level, which through cooperation with the federal government, would multiply efforts to conserve species.

In addition the Administration's decision to deny funding necessary for the continuance of two important information transfer programs within FWS causes us concern. Wildlife Review and Fish Review constitute the only source of information on current research and management techniques for certain isolated offices and field stations in the US, as well as for many natural resource agencies abroad. These programs have placed the US Fish and Wildlife Service in the forefront of information management and transfer. Loss of these publications would create a noticeable gap between researchers, managers, administrators in the area of wildlife, fisheries, and natural resource management. We hope that you will see fit to insert the $250,000 in funding necessary to continue these two important information transfer tools.

I hope that you will feel free to call upon AIBS if we can provide you with more specific details on this matter of national importance.

Sincerely,

Neal M Barnett

Neal M. Barnett, Ph.D.
Chairman
Public Responsibilities Committee

LETTER FROM CARL R. SULLIVAN, EXECUTIVE DIRECTOR, AMERICAN FISHERIES SOCIETY

March 16, 1987

The Honorable Robert C. Byrd, Chairman
Appropriations Subcommittee on Interior and Related Agencies
122 SDOB
Washington, D.C. 20515

Dear Mr. Chairman:

The American Fisheries Society (AFS) appreciates the opportunity to present these written comments concerning the proposed Fiscal Year 1988 budget of the Bureau of Land Management.

Founded in 1870, AFS is the world's oldest and largest organization of fisheries scientists. Our 8,500 members are employed by public agencies, educational institutions, and private industry, and represent an organization which has been active in fisheries research, scientific publishing, conservation, and enhancement for 117 years. We ask that this letter be included in the official record of the hearing.

No agency manages more fish and wildlife habitat than the BLM. Within the nearly one third of a billion acres the agency manages are some of the potentially richest fisheries streams in the world. In addition to 85,000 miles of streams the BLM is responsible for managing more than seven million acres of riparian habitat which directly affects these streams. While much of this resource base is in remote Alaska, the portions that are in the contiguous 48 states are critical water-influenced portions of generally otherwise arid ecosystems. They are critical to the production of fish and wildlife and to the recreation use that can be supported by it. In addition to being home for resident and anadromous gamefish, these lands include habitat for close to 100 listed species of threatened or endangered (T/E) or candidate T/E fish.

While there is no current reliable method to separate the fisheries portion of the program from wildlife habitat management (we request future separation), the fisheries share of BLM's budget has recently averaged about $1.5 million (down from $2.0 million in 1981). Current staffing is 32 fisheries biologists (down from 56 fisheries biologists in 1981). Further, of the 32 fisheries biologists, over 50 percent are located in Oregon and California where they work primarily on anadromous fisheries. The rest of the states with BLM lands get minimal fisheries attention indeed (especially when one considers that six of the positions are filled by state or National Office program managers)! These figures reflect the agency's lack of priority for implementing the multiple-use provisions of the

Federal Land and Management Policy Act of 1976. With such fisheries staffing and budgets the BLM can't begin to address program needs.

There are 20 line items in the BLM's proposed FY 1988 budget for management of lands and resources. Of the total reductions of personnel and funds proposed from the FY 1988 base, wildlife habitat management is scheduled to absorb 22 percent of the FTE cuts (20 positions) and 20 percent of the funding cuts ($2.3 million). While no FTE cuts are proposed for range management that line item is scheduled to absorb a 34 percent cut in funds ($3.9 million). Recreation management is similarly affected.

As we have stated, the current programs in these areas are insufficient to address program needs. The proposed reductions will intensify impacts to these programs in the following ways:

Because the T/E species management program funding would be maintained at $4.0 million, the $2.3 million reduction would disproportionately affect wildlife, fish, and riparian management programs. Such cuts would dramatically reduce inventory and monitoring activities and would certainly preclude restoring fisheries biologist staffing.

Habitat management plans (HMPs) are used by the BLM to direct activities to restore and improve fish and wildlife habitats and to monitor accomplishment of multiple-use objectives. The states and private interest groups are committed to these plans and are often active cooperators in them. There are currently about 100 plans completed and ready for implementation, 200 are in development, and 80 new plans have been proposed. With current budgets and staffing however, completion and implementation of the plans is so slow that fish and wildlife resources are simply not adequately managed. Under the proposed budget reductions this whole planning process would grind to a halt and the backlog of nearly 300 unimplemented plans would continue.

Monitoring activities, which are essential to establish habitat condition and trend information for managers, are currently being accomplished in less than half the areas where needed. In addition, implementation of the BLM's new riparian policy will require increased monitoring to document areas where fish and wildlife conflict with livestock use. It appears to AFS at present that despite state efforts, grazing allotments are not being monitored with sufficient intensity to even provide fisheries information for evaluation of court-mandated grazing regimes. Proposed funding and personnel cuts would further jeopardize the acquisition of critically needed management information.

The conduct of periodic, high quality inventories is essential to support professional land use planning and management. Much of the inventory data relating to riparian areas and stream habitats available to BLM managers are dated or inadequate to address present management questions. In the arid western states, inventories need to be completed or updated on nearly half the BLM's stream riparian area. Current plans, as a result, are based on incomplete data and management decisions are suspect.

The AFS requests the restoration of the BLM's wildlife habitat range and recreation management budgets and personnel to FY 1988 base amounts. In addition 20 fishery biologist FTE's and $2.0 million is requested to begin to address the aquatic and riparian habitat inventory, management, and monitoring program needs of the agency.

Further, the challenge grant mechanism provided the BLM by the Congress the last two years at the $450,000 should be dramatically expanded. It is presently very much oversubscribed by eager cooperators ready to participate in the excellent projects contained in the HMPs. The AFS requests expansion of this program to $4.5 million in FY 1988 and that at least $2.0 million be earmarked for fisheries or riparian habitat improvement projects.

Finally, the AFS requests restoration of the $0.6 million reduction planned for the Oregon and California grant lands. These funds are scheduled to be used for restoration of anadromous fish streams that have excellent production potential. We also request the inclusion of these funds in the FY 1989 Wildlife Habitat Program base.

Thank you for the opportunity to present our views.

Sincerely,

Carl R. Sullivan
Executive Director

STATEMENT OF WILLIAM C. REFFALT, THE WILDERNESS SOCIETY

Mr. Chairman, members of the Subcommittee, The Wilderness Society appreciates this opportunity to offer our views on the FY 88 Budget Needs of the U.S. Fish and Wildlife Service (FWS). The Society, speaking on behalf of its over 160,000 members, commends the efforts and past actions of this Subcommittee in achieving a well considered balance of funding our important conservation programs while recognizing the need for sound fiscal policies. Without your past leadership, Mr. Chairman, the conservation land acquisition program and other priority management efforts by federal natural resource agencies would have been slashed to unproductive levels by an Administration that cares little for environmental matters.

As in the past several years, I will focus my recommendations on areas of the FWS budget where help is most necessary. That translates, for us, to the funding needed for the National Wildlife Refuge System, Endangered Species and the Land Acquisition funds for purchasing refuge lands and habitats.

NATIONAL WILDLIFE REFUGE SYSTEM

This Nation's only federal land system dedicated primarily to the protection and proper management of fish, wildlife and their habitats, the NWRS consists of 436 designated units and over 1,000 other land parcels encompassing more than 90 million acres and located in all states except West Virginia and in many U.S. Territories. The NWRS represents an on-going commitment by this Nation to environmental values recognized as a major component of mankind's "quality of life" needs and as a direct indicator of the healthfulness of that environment. It is imperative that the commitment not be diminished needlessly or without recognition of the costs associated with such a reduction. The Administration's proposed budget for FY88 asks the Congress to sanction major reductions in refuge funding, including acceptance of substantial recissions of funds contained in the FY87 Congressional Appropriations. The Wilderness Society urges that the proposed recissions in the Refuge Operations and Maintenance accounts be rejected in their entirety.

RECISSIONS

The following is a brief rebuttal for each of the proposed recission items:

1. -$960,000 Alaska Comprehensive Planning.
   Although the primary planning work directed by ANILCA is scheduled to be completed in 1987, Congress has yet to review or concur in those plans. Also, the next step in planning requires the completion of detailed management plans to implement the comprehensive plans and guide refuge activities. In short, refuge planning in Alaska is far from completed and, due to its importance, should be continued at this level in both FY87 and FY88.

2. -$300,000 Arctic Goose Education Program.
   This effort, begun about two years ago, is accomplishing critically needed work with the over 16,000 Yupik Eskimos that use these species as a part of their subsistence and, therefore, must be kept informed about the progress of efforts to restore the goose populations. This work and the funding should be continued until recovery of these populations of geese is accomplished.

3. -$142,000 Documenting Refuge Water Rights.
This work is important for the refuges and for other users of refuge water sources. In many cases this documentation is being done for the first time. The work benefits the refuge, State water agencies and others and should be continued at this modest level.

4. -$974,000 Subsistence Grants.
Recognizing the need for State/Federal cooperation in the administration of subsistence in Alaska, Congress authorized this federal grant in the 1980 legislation and that commitment should be upheld.

5. -$8,762,000 Refuge Maintenance/ARMM.
Several years ago there was joint recognition by the Congress and the Administration that the $2.2 billion of refuge equipment, structures and facilities required a reasonable and on-going (annual) commitment of maintenance resources, (dollars and manpower) to insure that operational and public safety as well as functionality could be assured. The $30.8 million appropriated in FY87 is slightly less than one-half of the estimated annual maintenance requirement Congress rejected the request not to include these funds in the FY87 Appropriation and should similarly reject this request to recede from their expenditure.

FY88 BUDGET REQUEST

REFUGE OPERATIONS AND MAINTENANCE

The Administration budget request for the NWRS in FY88 again attempts to reduce or eliminate funding in the accounts that are included in the recission request. However, in the case of the refuge maintenance/ARMM funding they request cuts totalling $14,334,000. Such cuts would reduce maintenance levels to a mere one-fourth of the amount necessary to assure the safety and a reasonable capability of refuge equipment, facilities and structures to perform at acceptable standards. **The Wilderness Society strongly recommends that the refuge maintenance/ARMM funding be maintained at the calculated FY88 base level of $31.9 million. Also, the request to cut 110 FTE's should be rejected.**

The Administration proposes to cut refuge operations $1.2 million below the calculated FY88 base. To provide for management of new refuge areas and to improve management of existing refuge units where funding has been inadequate to compensate for increasing costs of manpower and materials, **The Wilderness Society proposes appropriations at least at the calculated 1988 base for refuge operations.** Throughout the FWS Budget document the request to cut previous Congressional allowances and to rely on "base funding" occurs. The document fails to point out that generally there are no base funds for those activities and, thus, their proposal would erode the general base funding for operation of the refuges. That erosion is made worse by the proposed FY87 recissions, FY88 reductions and the FY88 manpower cuts proposed by this document. These efforts to diminish the minimum management capabilities existing on refuges should be rejected by this Committee.

ENDANGERED SPECIES

The Administration proposal includes recissions and reductions for this already inadequately supported last-ditch effort to prevent extinctions and to initiate essential recovery efforts. The Endangered Species Act Reauthorization Coalition

(ESARC), comprised of nearly 30 environmental organizations has developed a carefully analyzed alternative budget for this vital work. The Wilderness Society is a member of ESARC and strongly supports the budget requests that have been painstakingly developed within that group. We commend your attention to the document presented on behalf of the Coalition. We believe that the Subcommittee will find those requests to be based on what is minimally required to keep species from extinction and to work towards the recovery goal where there has been a plan developed to accomplish that objective.

LAND ACQUISITION--LWCF AND MBCF

This essential work is often the first step toward the necessary management program needed to stabilize wildlife and fish populations that are in decline or even threatened. Although the Congress has been able to maintain a minimal on-going LWCF program in the face of severe pressures from the Administration to eliminate it, the funding has been sharply reduced from the levels of the previous Administration. The Wilderness Society, as the coordinator for a group of 12 environmental organizations, assists each year in the compilation of a comprehensive NEEDS list of acquisitions for the four major federal land agencies and for the vital program of State Grants.

The acquisitions proposed for National Wildlife Refuges in FY88 total about $145.5 million. The list is carefully screened to insure that only high priority areas are included. Over 80% of the projects involve lands important to one or more endangered species. The other projects include lands that are severely threatened, highest priority refuge inholdings and areas containing nationally significant habitats and wildlife. In many cases, timely acquisition is a means of relieving hardship on owners.

Passage of the Emergency Wetlands Resources Act in the last Congress was an important commitment to our dwindling wetlands. As passed, that measure increases the available funds for acquisition of wetlands through several provisions. The Act also extends the time period for use of monies under the Accelerated Wetlands Acquisition Loan mechanism originated in 1961. **The Wilderness Society recommends that Congress appropriate the remaining $3.5+ million available to FWS in loan authorization.** This would culminate efforts begun over 25 years ago to purchase wetlands vital to waterfowl on an accelerated schedule. Unfortunately, the total acreage purchased within that allocation remains far short of the original goals.

It should be noted that the budget document displays an unrealistic amount of MBCF funds expected from the initiation of a program to charge entrance fees on certain National Wildlife Refuges. Because that program will be operational only a small part of FY87 and will still be in initial stages in FY88, expected revenues are unlikely to achieve anywhere close to the $5.5 million contained in the Administration's estimates. It is more likely that these revenues will be approximately 5%-10% of that estimate.

CONCLUSION

The Wilderness Society commends the efforts of this Subcommittee to provide adequate funding for the Fish and Wildlife Service. The Society has singled out the budgets for the NWRS, Endangered Species and Land Acquisition as our highest priority for support. One other deserving area is the recently reauthorized Fish and Wildlife Conservation Act. We believe that

$1.0 million additional for migratory non-game bird research should be provided to the FWS. The state program authorized by the Act should receive funding of at least $2.0 million.

The Wilderness Society appreciates the opportunity to comment and offers it continuing support to correct the many deficiencies contained in the Administration's FY88 Budget submission.

STATEMENT OF STEVEN C. WHITNEY, THE WILDERNESS SOCIETY

Mr. Chairman and Members of the Subcommittee, my name is Steven C. Whitney and I serve as Director of the National Parks Program at the Wilderness Society. I appreciate this opportunity to share our thoughts on the FY '88 budget request for the National Park Service (NPS).

The Wilderness Society is a private, non-profit membership organization, which focuses exclusively on the wise management and protection of the public land systems of the United States. For national parks, two areas are of critical concern to our membership and staff: 1) the need for a strong program of natural resources management and scientific research to ensure the Park Service has the necessary information and expertise to protect the integrity of the resource base in perpetuity, and 2) the need to bring under public ownership lands contained within the designated boundaries of units of the National Park System.

Nothing is more critical than protecting forever the resources Congress determines are worthy of inclusion in the National Park System. My comments today will therefore focus on these two portions of the FY '88 NPS budget request.

Natural Resources Management and Scientific Research

Programs in support of natural resources management and science appear in the FY '88 budget primarily under the major category of Park Management, but also would receive a portion of anticipated fee revenue for funding of the Natural Resource Preservation Program.

Under Park Management, we are pleased to note an increase for natural resources management of $3,051,000 to a total of $60.8 million. This is certainly an improvement from past years, but falls far short of the actual need.

Staffing and Training

Mr. Chairman, the National Park Service recently compiled documentation of need for natural resources management staffing and training. This information was collected by asking each Regional Director to identify his or her regional requirements. The results are startling.

Under staffing, the Regional Directors identified an unmet need of 188 Full Time Equivalents (FTE's), 149 of which were under the Natural Resource Specialist classification, the balance were collateral duty generalists. This represents an increase of 125% over present staffing under the Natural Resource Specialist classification. Of these 188 needed FTE's identified, 79 were classified as high priority, 74 as medium priority, and 35 as low priority. Funding is urgently needed in the amount of $3.0 million to provide support for at least 100 of these needed resource management positions.

Under training, the Regional Directors identified 1,757 training course needs for existing natural resource staff, split evenly between natural resource specialists and general ranger personnel who work on natural resource projects. Training is needed in such areas as integrated pest management (271 course needs), water management (102 course needs), environmental law and compliance (48 course needs), fire ecology and management (93 course needs), and others. We believe it is absolutely necessary to provide funding to reduce this unmet need for training.

Servicewide Research Programs

Needed, but not identified in the FY 88 request for servicewide programs, is $300,000 for continuation of important work on carrying capacity studies, and for development of a social science research agenda and program for the national park system. The carrying capacity work is critical if the Park Service is to put in place a systemwide program of visitor impact management. Social science research is fundamental to the ability of the Service to respond to the needs of minorities, the physically impaired, and our increasingly aged society. Now is the time to get on with both of these important project areas.

Resource Management Projects

Mr. Chairman, as you no doubt know, there is a tremendous backlog of identified priority research and resource management projects in this nation's parks. These are the projects which have gone largely unfunded under our present Administration. This trend must be reversed.

In March of 1986, the regional offices of the National Park Service each submitted a list of the 100 highest priority resource management projects that will not be funded from existing sources. These individual regional lists were then compiled into a list of 1000 top priority projects systemwide. This list of 1000 projects requiring new funding sources, although just the tip of the iceberg, totals $121,625,700 over 5 years, or approximately $25 million per year.

In a separate exercise in late 1985, the regions were asked to submit to the Washington office their total list of projects identified in park Natural Resource Management Plans (RMPs) that are costed out for near term funding, and are in addition to currently available funding. A total of approximately $250 million over five years was identified as the near term requirement for funding of RMP projects. Actual analysis of Resource Management Plan project statements suggests that the total for all unfunded projects systemwide is over $500 million.

This documented need differs markedly from the $7.6 million FY '88 request for natural resource management project funding under the Natural Resources Preservation Program (NRPP). Even in this era of fiscal austerity, we believe at least the "Top 1000" priority projects should be funded over the next five years. Therefore, the Natural Resource Preservation Program total should be increased by $18 million to a total of approximately $25 million.

Baseline Inventories

The $7.6 million request for the NRPP includes $660,000 for a servicewide natural resources baseline inventory and long-term monitoring program. Such a pilot baseline monitoring program is long overdue and we support this request. However, we

would note for the Subcommittee that this funding will only be adequate to fund a pilot program at 10-12 parks. Many more units of the system are in need of baseline inventories. Follow-up funding will be required to expand this program systemwide in subsequent years.

Land and Water Conservation Fund

The Administration has requested $16.031 million for land acquisition under the Land and Water Conservation Fund. Once again, reality has been ignored, and the Congress will be required to redirect this misguided Administration policy. Last year, the Congress appropriated $87.22 million for National Park Service land acquisition. This year the actual documented need for NPS land acquisition funding is $169 million and we urge this level of funding.

For all agencies, the conservation community has documented a total of $467.78 million required on the federal side of LWCF, and $200 million on the state side.

Mr. Chairman, we believe the Land and Water Conservation Fund Act was a far-sighted stroke of genius. It is based on the premise that this nation ought to reinvest some of the funds it receives for resource extraction, in this case Outer Continental Shelf (OCS) leasing receipts, into a program which preserves public land resources for all time. It made sense then and it makes sense now.

Unfortunately, although up to $900 million are authorized for appropriation from LWCF annually, far less than that has actually been appropriated in recent memory. We believe it is time to reverse this trend.

Summary

In summary, the focus of our remarks today centers on the two critical areas of natural resources management and protection, and land acquisition. We recommend the following:

* Additional funding in the amount of $3.0 million to hire 100 of the 188 natural resource professionals identified by National Park Service Regional Directors as needed.

* Adequate funding to allow the Park Service to train personnel in specific areas of natural resources management, a need identified by the Regional Directors.

* Funding in the amount of $300,000 to continue important carrying capacity projects in the parks, and to establish a social science research agenda and program for the National Park Service.

* Additional funding for the Natural Resource Preservation Program in the minimum amount of $18 million, to a total of $25 million, to begin reducing the backlog of resource management projects identified by the National Park Service as their 1000 top priority projects. At a minimim, this level of funding will be required annually for project funding over the next five years. Fifty million dollars per year will be required to seriously address the total backlog.

* We support the inclusion of funding for baseline studies, but we note that this level of funding will only begin a pilot program at 10-12 parks. Follow-up funding in subsequent years will be required to implement the program systemwide.

* We recommend FY '88 funding in the amount of $169 million for the National Park Service land acquisition program from the Land and Water Conservation Fund.

Thank you.

STATEMENT OF BARRY R. FLAMM, THE WILDERNESS SOCIETY

Mr. Chairman, I am Barry R. Flamm, Chief Forester of The Wilderness Society. I am pleased to have this opportunity to appear before you on behalf of The Society's 160,000 members to discuss the FY 1988 budget for the Forest Service, USDA.

The Wilderness Society believes that important changes must be made in the Forest Service's budget. We recommend that the subcommittee take the following actions:

1. Reduce the proposed FY88 timber sale level from 11.10 billion board feet to 9.97 billion board feet.

2. Eliminate unnecessary forest road construction by cutting at least $116 million from the $328 million requested for building forest roads and reducing Tongass Timber Supply Fund spending by $28.2 million.

3. Begin to restore balance to the budget:

   - Increase Forest Service Land and Water Conservation Fund spending to $143 million.
   - Increase budget on state and private forest management and utilization programs by $15 million.
   - Give greater emphasis to ecological research on "old-growth forests" and acid deposition problems.
   - Increase recreation program budget $54 million more than the President's request and increase budget for the trail maintenance and construction by $5 million.
   - Give attention to sorely neglected wildlife and fish habitat improvement and threatened and endangered species programs through an increase of $10 million.

The Reagan Administration's proposed Forest Service budget for 1988 is a grave disappointment. It fails to respond to public needs and environmental concerns. It ignores opportunities to reduce wasteful expenditures. It undercuts incentives for commodity production on privately owned lands in direct contradiction of the Administration's general economic philosophy.

"Extraction" activities dominate the budget, while "attraction" enterprises that depend on the natural, amenity resources of the national forests will continue to receive little consideration.

Quite simply, this year's proposal is a timber budget. Three-fourths of the Forest Service budget is directly or indirectly related to the timber program. Yet the timber program has cost federal taxpayers at least $1.2 billion over the last five years.

Reduce Timber Sale Levels

The primacy accorded to timber over all other uses of the national forests is clearly evident in a recent memorandum sent to all regional foresters by Chief R. Max Peterson just prior to his retirement. We have attached the memo to our written testimony and request that it be included in the record.

Essentially, Chief Peterson's memorandum contains one message: national forest managers must do everything within their power to meet all demands that may materialize for timber, without consideration of how much U.S. taxpayers may lose in the process and without consideration of future demands for recreation, wilderness, fish, wildlife, or clean water. This message is fundamentally at odds with the Multiple Use Sustained Yield Act and other congressional acts mandating balanced consideration of all forest resources. We urge Chief Dale Robertson to repudiate this memorandum.

The timber first bias is also evident in the Forest Service's annual budget proposals. The budget sets a timber sales target for 1988 of 11.1 billion board feet (bbf), exceeding last year's proposal by 1.1 bbf. The proposed sales volume is excessive for three reasons. First, in Region 6 -- Oregon and Washington state -- the proposed level of 4.8 bbf exceeds the long-run sustained yield capacity of the forests by 610 million board feet. Second, across the nation the federal government will lose money on as much as 40 percent of the proposed volume because prices received will not cover the government's costs of growing, accessing, and selling the timber. Third, the proposed sales volume will lead to inadequate protection of valuable fish and wildlife resources, outdoor recreation opportunities, watershed, and other forest resources.

Mr. Chairman, we recommend that the timber sale volume for FY88 be reduced from 11.1 billion to 9.97 billion board feet. This recommendation is based on the following changes in the allowable sale quantity as outlined below:

1. Return to Sustained Yield in Pacific Northwest. The annual potential sustained yield of timber calculated for Region 6 national forests under existing management plans totals 5.1 bbf. This estimate, however, is based on outdated information regarding the key variables of sustained yield calculations -- i.e. the amount of timber actually growing on the land, the rate at which it is growing, and the capability of sites to be successfully reforested and remain productive. The Forest Service has conducted new inventories and studies of these factors as a prelude to preparing the new land management plans required by the National Forest Management Act of 1976.

   The recalculated sustained yield of 4.19 bbf is independent of any decisions that may be made in the planning process to preserve roadless areas or wildlife species or to protect water quality. It is too high to accommodate minimum legal requirements for these uses. The new level is simply the "timber facts of life" in the Pacific Northwest. Given the amount of timber on the land and the capability of the land to grow additional timber, the Forest Service cannot sell more than 4.19 bbf per year in the Pacific Northwest on a sustained basis.

   Last year the Forest Service proposed a 4.19 bbf sales program for Region 6, exactly equal to the true sustained yield level. Congress increased this by 1.0

billion board feet. According to the House-Senate conference report on the 1987 budget, this was done in order to approximate "historic levels" and to accommodate "continuing high harvest levels and softwood timber demand." Unfortunately, this line of reasoning could be used indefinitely to maintain sales levels above sustained yield, until the day finally arrives that the Pacific Northwest timber industry literally eats itself out of house and home. Sustained yield requirements were written into law to prevent just such situations from arising.

This year the Forest Service is proposing a sales program that is 610 million board feet above the true maximum sustained yield level. We urge Congress to return Pacific Northwest sales to a sustained yield basis in FY 1988. The longer the achievement of this inevitable requirement is postponed, the greater the ultimate sales reduction will have to be and the more difficult the transition to long term sustained yield.

2. Phase Out Below-Cost Sales. A comprehensive accounting of timber program receipts and expenditures, based on information provided in the annual budget explanatory notes, reveals that the Forest Service lost at least $1.2 billion selling timber over the last five years. During this period, the federal treasury paid out an additional $1.0 billion to state and county governments as a direct result of Forest Service timber sales. Under current law, state and county governments receive 25 percent of gross timber receipts. Tables 1 and 2, attached to our written testimony, document Forest Service timber receipts and expenditures in detail.

An immediate cessation of below-cost timber sales would impose economic hardships on some communities. We therefore suggest that below-cost sales be eliminated on a phased basis over a ten-year period. One forest economist who has studied this problem in detail, Randall O'Toole of Eugene, Oregon, estimates that 40 to 50 percent of all national forest timber volume is sold at a loss. We believe that estimate is reliable and, therefore, recommend that the national sales volume for FY 1988 be reduced by at least four percent and that proposed timber program appropriations be reduced by a commensurate amount. These reductions should not necessarily be uniform across all accounts and regions due to the multi-year nature of the sales program and the uneven regional distribution of below-cost sales.

3. Additional Timber Reductions Needed to Protect the Environment. Beyond timber sale reductions needed to return to sustained yield and to eliminate below-cost sales, we estimate that a reduction from the current sale level of 1.0 to 1.5 bbf ultimately will be needed to adequately protect fish and wildlife resources, scenic beauty and outdoor recreation opportunities, watersheds, and biological diversity. As in the case of eliminating below-cost sales, we suggest that Congress begin now to phase in these reductions on a ten-year schedule. Therefore, a reduction of at least 100 mmbf should be made for FY 1988.

In sum, we recommend the following reductions in timber sale volumes for FY 1988: 1) 610 mmbf to return to sustained yield forestry in the Pacific Northwest, 2) 420 mmbf to begin phasing out below-cost sales, and 3) 100 mmbf to begin reductions needed

to protect the environment. These reductions would bring the FY 1988 sales volume to 9.97 bbf.

Special Need to Preserve Old Growth Forests. The last extensive stands of virgin U.S. forests outside Alaska are found in the old growth douglas-fir ecosystem of western Washington state, western Oregon, and northwestern California (Region 5). This ecosystem already has been substantially altered and fragmented by logging. Recent ecological research has shown that habitat fragmentation is fast approaching the "fail-safe point" beyond which the fate of scores of animal and plant species that depend on the ecosystem could be sealed.

We recommend that Congress, in appropriating funds for the timber sale program, direct the Forest Service to implement a harvest sequence policy in Regions 5 and 6 that shifts priority in sale and harvest scheduling from old-growth stands to younger mature stands (95 to 160 years old). The present policy of harvesting old-growth first is a prescription for disaster. Our proposed policy change will buy critical time for the ecosystem -- as well as time for all the contending parties in the old-growth debate -- until ecological research can establish just how much old-growth needs to be preserved and where.

Eliminate Unnecessary Road Construction

This is the year the timber road spending juggernaut must be stopped. Environmental concerns and fiscal responsibility demand it.

Over the past four fiscal years -- 1983-1986 -- the Forest Service built or rebuilt 2,203 more miles of roads than it told Congress in its annual budget requests it needed to carry out the timber sales program. According to the Forest Service budget notes, this excess capacity will increase by 1,152 miles in FY 1987. Table 3, attached to our testimony, documents the over-building of roads. Altogether, this five-year buildup represents enough excess capacity to accommodate the next two years of timber sales without any further road construction or reconstruction by the Forest Service.

We therefore recommend that $101.3 million for forest roads built by the Forest Service be deleted from the FY 1988 budget. We also recommend that $2.9 million requested to "augment" -- i.e., to subsidize -- roads built by timber purchasers be deleted. Finally, we recommend a 10 percent reduction in the purchaser elect road program and in planning and engineering expenditures for the purchaser credit program. This reduction amounts to $11.6 million and is consistent with our recommended reductions in the timber sale volume. Altogether, these recommended road program reductions total $115.8 million, leaving a total Forest Road Program budget, including authorized purchaser credits, of $212.1 million. According to the agency, this amount is adequate for building or rebuilding 5,575 road miles under the purchaser credit and purchaser elect programs.

Budget Reductions on the Tongass National Forest

No other national forest in the country comes close to matching the Tongass National Forest in southeast Alaska as an egregious example of below-cost timber sales and excessive roadbuilding. In 1986, the Forest Service spent at least $50.0 million on the Tongass timber program, including $49.6 million from the Tongass Timber Supply Fund. Matched against these expenditures were cash receipts of only $81,726, less than two tenths of a penny for every dollar spent. Incidentally, the President's Budget (Appendix page I-E98) erroneously describes the Tongass Timber Supply Fund as being self-financed "from sales

of Alaska timber." If this description had been operative during 1986, the fund would have run out of money within the first four hours of the fiscal year.

The Wilderness Society recommends a reduction of $28.2 million in the 1988 Tongass Timber Supply Fund request. These savings can be realized by 1) reducing timber sale preparation volumes to a level commensurate with current demand, 2) reducing the sale administration request to the level of actual expenditure in FY 1986, and 3) eliminating unnecessary facility and road construction. This recommendation is a needed first step toward restoring environmental and fiscal sanity to the management of the nation's largest national forest.

Restore Balance to the Budget

Statutes guiding national forest management are founded on the principle of multiple-use conservation. The proposed Forest Service budget for 1988 makes a mockery of the Multiple-Use Sustained Yield Act, the National Forest Management Act, and the National Environmental Policy Act. Budget items for resource extraction -- logging, mining, and grazing -- exceed $1.4 billion. In sharp contrast, resource stewardship programs are allocated $265 million.

One illustration of the general approach that should be taken to restore balance to the Forest Service budget is provided by the recent testimony of two respected members of the forest community. Dr. Clark Binkley, Professor of Forestry at Yale University, and Dr. Perry Hagenstein, past president of the American Forestry Association, found in evaluating the 1985 RPA proposal "that reallocation of funds among the (Forest Service) program areas would greatly improve the overall program efficiency. The non-commodity programs, i.e. water, recreation, wilderness, wildlife, and fish, apparently have very high pay offs for dollars spent. If budgets are limited, it makes good economic sense to increase the money allocated to these areas and to decrease it to the low pay off programs like range and timber" (Binkley, C.S., Hearing Before the Subcommittee on Forests, Family Farms & Energy of the Committee on Appropriations, House of Representatives, September 23, 1986).

Mr. Chairman, I wish to illustrate the effect of budget imbalances on the national forests. This past year, The Society conducted a thorough analysis of the long term resource management plans for the seven national forests of the Greater Yellowstone Ecosystem. All of these forests sell timber below cost, losing as much as $2.2 million per year on the Beaverhead National Forest alone. In spite of this huge subsidy, direct employment in timber accounts for only 13 percent of the jobs generated by the seven national forests. Employment in the recreation sector, on the other hand, has been rising and significantly exceeds that of the timber sector, accounting for 83.4 percent of these jobs. Forest Service budget priorities do not reflect this economic reality. Proposed budgets for the Greater Yellowstone Ecosystem forests reflect an unswerving commitment to commodity extraction at the expense of more valuable, non-market resources.

A comparison of resource benefits and expenditures given in the forest plan for the Bridger-Teton National Forest is most revealing. Over the next 50 years, it is expected that recreation, wilderness, fish and wildlife will account for nearly 75 percent of total benefits produced on the forest. Forty-one percent of Forest Service expenditures will be allocated to these activities. On the other hand, a scant 1.2 percent of benefits will be derived from logging and timber management. Yet, the timber program will consume 32 percent of expenditures. This is

a tragic example of using scarce federal funds to underwrite the degradation of one of the most important ecosystems on earth.

Increase Funding For State and Private Forest Management. The Forest Service's proposed $1.1 billion timber sales program constitutes an eight percent increase over 1987. As documented above, the program cost federal taxpayers at least $1.2 billion over the last five years, even after taking receipts into account.

Yet the FY88 budget eliminates the Forest Service's most cost effective state and private initiative, the forest management and utilization program, reducing federal expenditures by only $10 million. This program provides all Forest Service assistance to non-industrial private timberland owners in forest resource management, wood utilization, seedling production, and nursery and tree improvement. Non-industrial private lands account for 58 percent of the nation's commercial forest land. Indeed, Dr. George Dutrow, Dean of Forestry at Duke University, has described the non-industrial private forest lands as "the key" to the nation's future wood supply needs.

The Forest Service proposes that the federal government abandon its role in fostering better management and utilization of timber supplies on private lands while, at the same time, pouring more money into a federal timber sale program that is already bloated and inefficient. This is clearly a foolish forestry policy.

Non-industrial private land owners need help not abandonment. The 1988 budget would de-authorize forest management laws and cooperation with the states. The forest management and utilization program should be fully restored, and disincentives to private sector forestry, such as the sale of federal subsidized timber, should be eliminated. In addition, we support a $5 million appropriation for implementation of the innovative National Marketing Initiative Plan.

Restore Recreation Program. The National Forests provide almost half of all outdoor recreation on federal lands. In FY86, 226.5 million visitor days were reported on the national forests.

In spite of heavy recreation use and findings such as those by Binkley and Hagenstein, the Forest Service's 1988 recreation budget -- including trail maintenance and construction -- is only 16 percent of the timber program budget. In fact, 16 percent overstates the case because $52 million of the Administration request for the recreation use program would come from the Land and Water Conservation Fund (LWCF) -- money that is not available for this program use without legislative change. At a minimum, Congress should fund the recreation use budget at the 1988 base which is approximately $118 million. And funding needed to maintain recreation programs should not come from the LWCF as proposed in the budget.

Many visitors to national forests depend on trails for their recreation enjoyment. Since 1970, trail use has more than doubled. Yet, the 1988 budget proposes to maintain only 49,800 miles of the 99,500 mile trail system. This is a reduction of 4,244 miles maintained from the 1987 program level. We recommend at least an increase of $5 million for trail construction and maintenance.

Acquire Needed Land. President Reagan's Commission on Americans Outdoors has recognized the importance of land acquisition by recommending an annual $1.0 billion acquisition program. The Forest Service has a large backlog of needed acquisitions. In fact, $1.9 billion in land acquisition has been authorized by

Congress but not yet funded. The budget proposes no new acquisitions and would rescind $42.4 million from the 1987 Land and Water Conservation Fund authority. Rindy O'Brien has discussed The Society's land acquisition recommendations in detail before this committee. In support of her testimony, we recommend a minimum of $143 million for Forest Service land acquisition.

Additional Funds for Wildlife Programs. Wildlife and fish habitat improvement programs, including those for endangered species, have been severely underfunded for years -- a situation that does not improve with the 1988 budget. For example, the Forest Service proposes to spend only $1.3 million for endangered, threatened, and sensitive species habitat improvement. This represents a 64 percent decrease from the current service base.

Since the national forests are home to approximately 100 plant and animal species that are listed by the federal government as endangered or threatened and to an estimated 1,000 to 1,300 species that are candidates for listing, proposed expenditures amount to less than $930 per species. In contrast, each mile of logging road costs $43,000 on average. The proposed Forest Service budget reduces other wildlife and fish habitat programs by 41 percent.

We recommend at least an additional $10 million to better address fish and wildlife habitat needs. Five million dollars of this increase should be earmarked for use on the needs of threatened and endangered (T&E) species including $1 million for T&E plants.

Greater Emphasis on Ecological Research. As with the overall Forest Service budget, timber-related research dominates the research program. A balanced forestry research program is needed.

We urge increased emphasis on ecological research. Of special importance are the old-growth forests in the Pacific Northwest. Lack of information on the old-growth forest ecosystem limits effective resource management. We recommend that the Forest Service be fully funded to identify and map the geographic distribution of the Pacific Northwest old-growth forest stands, identify their biological characteristics and condition, and identify the threats to their survival.

Evidence is mounting that forest growth and survival is being affected by acid rain and other toxic substances. Yet funding for critical acid rain research is reduced by $2.1 million. We recommend restoration of funding with emphasis on continued research to delineate the effects of atmospheric deposition on forests in the Appalachian region.

Conclusion. Clean water, wildlife and outdoor recreation -- valuable public benefits of the National Forest System -- are being neglected because this Administration spends too much money building logging roads and cutting down trees.

It is time for Congress to put responsible stewardship back in the budget.

Attachments:

- Memorandum to Regional Foresters from Chief R. Max Peterson -- January 12, 1987.
- Table 1: Forest Service Timber Program Receipts and Expenditures, Fiscal Years 1982 to 1986.
- Table 2: Forest Service Timber Program Expenditures, Fiscal Years 1982 to 1986.
- Table 3: Excess Road Mileage on the National Forests, Fiscal Years 1983 to 1987.

1920 Date: JAN 12 1987

Planning the Management of the Timber Resource on National Forest Lands

Regional Foresters

On November 14, representatives of selected western Regions met with Washington Office personnel to discuss the need to reanalyze the future demand for various multiple use resources in light of recent events, changed conditions, and new information. This need is particularly relevant to those National Forests where a considerable amount of time has elapsed since the initial analyses and the issuance of the draft Forest plans and the scheduled dates for the issuance of final Forest plans.

An updated assessment of future demand is essential in establishing resource outputs from the National Forests. New information relating to the timber resource is particularly critical due to the recent fluctuations and uncertainty of future markets and prices.

The primary objective of this letter is to establish some guiding principles to be followed in the Forest planning process to reflect the current situation and provide adequate flexibility in responding to potential future changes in timber demand.

Before proceeding with the steps to implement these principles we need to briefly review the current status of the Forest planning effort since it defines the scope of the work to be done. At the present time, we have issued 63 final plans and 43 draft plans; 17 draft plans are scheduled for release in the near future. The guiding principles are intended to apply to the 60 plans which have not yet been finalized. Particular attention is necessary for the major timber producing Forests in the west.

As a first step, an assessment of the current situation is needed to take into account the following:

1. The recently released Secretary's Recommended 1985 RPA Program which sets forth the future needs and expectations for goods and services to be provided from the National Forests in response to projected demand. The objective is to achieve the RPA program multiple purpose high-bound targets, tempered by local issues, concerns, and conditions.

2. The recent decrease in interest rates and the imposition of a tax on softwood lumber exports to the United States by Canada. It is not reasonable to base assumptions about future timber demand solely on historic harvest levels, when poor markets resulted from high interest rates and imported wood sold at subsidized prices.

3. The relationship of potential timber supplies from other ownerships as indicated by recent studies or new information. It cannot be assumed that historic harvest levels from the National Forests will continue to support the needs of dependent communities. If potential timber supplies from private lands will be less in the future than it has been in the past, the need to increase timber production on the National Forests, within multiple use objectives, is to be addressed.

In addition to the above considerations, there may be others which apply to a specific region, sub-region, or Forest and warrant inclusion in the assessment of the current situation.

In the next step, the allowable sale quantity (ASQ) in the preferred alternative is to be evaluated in relationship to any new information generated in the preceding assessment. Dependent upon the nature of the situation the following opportunities are available:

Situation One. If the ASQ responds to anticipated demand, but there is additional potential:

> Describe and quantify in the Forest plan and Record of Decision (ROD)opportunities to respond to increases in demand by future adjustments in the suitable land base and ASQ. Both the Forest plan and the ROD shall identify and describe the type of lands included in the tentatively suitable acres not being selected for timber production because they are presently not needed to meet Forest plan objectives, but which are available for future timber harvest should demand or markets change. State that a plan amendment would be required to take advantage of these opportunities and outline the process of public notification that would be used.

Situation Two. If the ASQ does not meet anticipated timber demand but the opportunity is available to increase it (the ASQ is limited solely by previous assumptions concerning demand and not by other resource objectives):

> Where the original assumptions regarding timber demand are no longer applicable, consider a different draft alternative, design a new alternative, or modify the preferred alternative to satisfy the projected demand. Different integrated alternatives may be necessary to respond to the entire range of identified issues, concerns, and opportunities in the manner that maximizes net public benefits including an evaluation of the needs of dependent mills and communities.
>
> Where the circumstances outlined above exist, but demand is temporarily limited below that anticipated, consider a different draft alternative, design a new alternative, or modify the preferred alternative to satisfy the projected demand. For example,where current harvest levels from private lands cannot be sustained. Identify the increase in the suitable land base and

define the related increment of the ASQ as a noninterchangeable component of the total ASQ in the planning documents. The total ASQ must be scheduled and the environmental effects discussed. However, timber sales are not to be programmed on these lands or the volume they contribute to the ASQ offered for sale until the demand materializes.

In either of the above cases, tenatively suitable lands not selected for timber production because they are presently not needed to meet Forest plan objectives but which would otherwise be available for timber harvest are to be described in the Forest plan and ROD as described under Situation One.

In the ROD, concerns for economic efficiency must be recognized, particularly in light of the 1985 USDA remand of the Forest plans for the San Juan and Grand Mesa, Uncompahgre, and Gunnison National Forests. Although economic efficiency is an important criterion the uncertainty of future demand also deserves recognition and consideration. Explain how any revised suitable land base and ASQ, in combination with all other portions of the Forest Plan will most contribute to maximization of net public benefits.

We believe that by following these guiding principles for all resources, the Forest plans will be more attuned to the current situation and provide adequate flexibility in meeting future needs. However, the rationale must be clearly articulated in the appropriate planning documents and our assumptions regarding potential future demand be reasonable and supportable.

R. MAX PETERSON
CHIEF

TABLE 1: FOREST SERVICE TIMBER PROGRAM RECEIPTS AND EXPENDITURES, FISCAL YEAR 1982 TO 1986

	1982	1983	1984	1985	1986	Five-Year Average
	(millions of dollars)					
Timber Receipts:						
Timber Product Sales 1/	251.0	398.5	544.3	498.5	726.0	483.7
Brush Disposal	29.6	47.8	60.3	53.7	52.9	48.9
Salvage Sales	6.8	14.1	20.5	15.2	20.7	15.5
K-V Deposits	77.6	134.4	165.5	186.1	151.5	143.0
Cooperative Work	26.3	35.6	45.2	39.9	46.4	38.7
O & C Grant Lands	11.9	9.9	18.3	16.1	19.1	15.1
Total Timber Receipts 2/	403.2	640.3	854.1	809.5	1,016.6	744.7
Timber Expenditures:						
Direct Timber Expenditures 3/	796.1	890.6	876.5	858.8	851.0	854.6
General Administration 4	126.2	140.0	142.2	135.2	125.2	133.8
Total Timber Expenditures 2	922.3	1,030.6	1,018.7	994.0	976.2	988.4
Net Timber Receipts Before Payments to States	-519.1	-390.3	-164.6	-184.5	40.4	-243.6
Payments to States 5/	129.1	176.5	225.1	206.2	258.2	199.0
Net Timber Receipts	-648.2	-566.8	-389.7	-390.7	-217.8	-442.6

1/ Includes one-time receipt in FY 1986 of $154.6 million in payment for sales returned to the Forest Service under the Federal Timber Contract Payment Modification Act of 1984.

2/ Totals may not add due to rounding.

3/ Includes sales management and administration, reforestation and timber stand improvement, brush disposal, salvage sales and road construction (excluding roads constructed by purchasers).

4/ General administration for Forest Service prorated on the basis of direct timber expenditures as proportion of total Forest Service expenditures (excluding payments to states). This proportion ranges between 50 and 55 percent during the years displayed.

5/ Payments to states attributable to timber program, based on timber product sales, K-V deposits, value of roads built by purchaser credit, and O & C grant land receipts.

SOURCES:

Forest Service explanatory notes, FY 1983-88.

TABLE 2: FOREST SERVICE TIMBER PROGRAM EXPENDITURES, FISCAL YEAR 1982 TO 1986

	1982	1983	1984	1985	1986
	(millions of dollars)				
National Forest System:					
Sales Administration and Management	159.8	162.1	187.5	194.7	174.0
Reforestation and Stand Improvement 1/	95.6	58.0	19.7	67.3	65.1
Timber support 2/	77.0	83.5	85.2	86.5	80.5
Road Construction:					
Forest Road Program	214.9	223.1	209.3	215.2	173.7
Timber Purchaser Roads Built by Forest Service	41.0	17.3	50.5	33.9	6.2
Special Accounts:					
Brush Disposal	38.8	34.8	48.3	41.8	46.0
Salvage Sales	11.0	12.9	12.8	16.1	23.0
Tongass Timber Supply Fund	45.9	42.3	47.3	50.0	49.6
K-V and Cooperative Work	111.9	152.4	150.0	153.3	202.5
Reforestation Trust Fund	0.0	104.0	65.9	0.0	30.3
General Administration: 3/	126.2	140.0	142.2	135.2	125.2
Total Timber Expenditures4/	922.3	1,030.6	1,018.7	994.0	976.2

1/ Includes nursery and tree improvement expenditures. Excludes reforestation and stand improvement funded through Reforestation Trust Fund, K-V deposits, and Tongass Timber Supply Fund.

2/ Timber support consists of expenditures in various budget line items allocated by the Forest Service to timber program activities The most significant items are road maintenance and landline location. These two items were eliminated by the Forest Service from timber support accounts for FY 1985 and 1986. They have been added back in this table on a prorated basis comparable to their treatment for prior years.

3/ General administration prorated to timber program. Varies between 50 and 55 percent of total general administration for the years displayed.

4/ Totals may not add due to rounding.

SOURCES:

Forest Service budget explanatory notes, FY 1983-88.

TABLE 3: EXCESS ROAD MILEAGE ON THE NATIONAL FORESTS, FISCAL YEAR 1983 TO 1987

	1983	1984	1985	1986	1987
Road Mileage Built 1/	2,016	1,668	1,858	1,252	1,960
Road Mileage Requested 2/	1,293	968	1,406	924	808
Excess Road Mileage	723	700	452	328	1,152
Cumulative Excess Mileage	723	1,423	1,875	2,203	3,355

1/ Actual road miles constructed and reconstructed under the Forest Road Program account. Does not include miles built by timber purchasers under purchaser credit program or miles built by Forest Service on behalf of timber purchasers under purchaser elect program. Figure for FY 1987 is Forest Service estimate.

2/ Road miles estimated by the Forest Service to be constructed or reconstructed in order to carry out annual budget request.

SOURCE:

Forest Service budget explanatory notes, FY 1983-88.

STATEMENT OF NORBERT RIEDY, THE WILDERNESS SOCIETY

Mr. Chairman and members of the Subcommittee, thank you for this opportunity to provide a statement on the Fiscal Year 1988 budget for the Bureau of Land Management on behalf of the 160,000 members of The Wilderness Society.

The natural resource lands administered by the Bureau of Land Management (BLM) encompass some 270 million acres, including 90 million in Alaska. Ranging from snow-covered peaks and carpets of wildflowers to winding rivers, lush streams, plains of the basin and range country, and high desert plateaus, these are the lands of the American west.

Since 1976, BLM has had a clear mandate from Congress and the people of this country to manage the national resource lands for their multiple benefits. The Federal Land Policy and Management Act, passed in that year stressed the importance of recognizing and protecting all resources including recreational, scientific, wildlife, wilderness and educational values.

Mr. Chairman, the budget submitted by the administration this year, and every year for the past half a decade, seems to disregard this mandate and the intent of Congress as described by FLPMA. This year again, their budget proposal provides additional funding to resource development programs while failing to provide adequate management and protection funds for the soil, water, scientific, cultural, wildlife, wilderness, recreational and other noncommodity values on our natural resource lands.

The American West is also the land of the Anaszi, the Hohokam, Mogollon, and other cultures. Hundreds of thousands of archeological sites, prehistoric rock carvings and pictographs, cliff dwellings, and fossil remains are found on BLM lands. Three

years ago the Bureau had identified nearly 25,000 sites that are eligible for nomination to the National Register of historic places.

Yet, while increasing funds for mineral development programs, the administration proposes to decrease the budget of the cultural resources program. This reduction will result in reduced inventories, delays in developing cultural resource activity plans, and deferral of cultural management plans.

The impact of the administration's budget priorities is seen in the California desert, an area especially rich in archeological resources. The agency has inventoried only about six percent of these lands for cultural resources. Five percent was inventoried prior to 1981. Its not a lack of dedication on the part of BLM field staff, they are professional and motivated. It is a lack of commitment from the Bureau's policy makers to resources other than minerals, energy, and livestock.

A prime example of the Administration's failure to respect the mandate of FLPMA is its policy towards the protection and management of its wilderness study areas. As you know, section 603 (c) of FLPMA requires the Secretary of Interior to protect WSAs until Congress decides which to designate as wilderness. The intent of the mandate was to preserve the right of Congress to decide which lands will be permanently protected as wilderness before wilderness values are degraded or destroyed. Despite this, current Interior Department policy allows all sorts of new uses in WSAs even if these uses degrade existing wilderness values, so long as they do not result in the disqualification of the entire WSA. This policy is eroding the prerogative of Congress to decide which lands should be designated.

Oversight hearings by the House Public Lands subcommittee in 1984 and 1985 exposed the vast number of surface disturbing activities in WSAs, both authorized and unauthorized. At those hearings, BLM revealed that as of the spring of 1985, there were 1,955 known disturbances affecting almost two-thirds (575) of the total BLM WSAs. 86% of those disturbances were authorized by the BLM either prior to the activity or, as in many cases, after it had taken place.

That the monitoring and protection program was inadequate is made evident by the fact that 281 of those surface disturbing activities were illegal actions. That averages out to more than 1 unauthorized, illegal activity within a BLM WSA each week for five years. These actions were discovered only after the damage was done. In 35 instances, the violators could not be identified because BLM discovered the violation too late. Under those circumstances, if the surface disturbance is to be rehabilitated at all BLM must pay for it.

In the 1986 Fiscal Year appropriation bill, Congress increased the funds available for protection of BLM wilderness and wilderness study areas. Specific direction in the bill's report for use of the additional funds allowed the BLM professional staff to use those funds for protection activities. We urge you to continue to stress the importance of protecting WSAs by specifically directing adequate funds to the Bureau's protection and monitoring efforts. We believe that at least $3 million or approximately 40% of the agency's wilderness management budget should be directed towards protection of wilderness study areas and wilderness. Further, we recommend that the committee retain funding for the BLM's wilderness management program at least at the FY 1987 base level of 7.7 million dollars.

Nonetheless, we believe the most effective way to protect WSAs and preserve the prerogative of Congress is to prohibit new surface disturbances in the WSAs.

We are beginning to see the hidden costs of inadequate protection from unauthorized activities and the permitting of surface disturbing activities within WSAs. It is more than the significant loss of wilderness values. Reclamation of existing surface disturbances within WSAs, authorized and unauthorized, will cost well over a million dollars by our estimate. Some of these costs will be covered by those responsible for the impacts, but many will end up being the responsibility of BLM.

In Arizona, it will cost more than $25,000 to reclaim resources damaged within WSAs by unauthorized activities. One project in the California Desert Conservation Area, the Keynot mine in the Inyo Mountain WSA, is expected to cost over $100,000 dollars to reclaim. And although the Bureau hopes the miner will pay the costs, it is unlikely he will be able to.

The Keynot mine and other examples point to another problem impacting both wilderness and other BLM resources, the failure of BLM to bond mining operations. Because the BLM did not require a bond for the Keynot mine, the agency has already had to spend $10,000 to remove cyanide that was stored and leaking at the mine site.

In 1984 the Barite of America company declared bankruptcy before it completed reclamation of surface disturbance in New Mexico's Florida Mountain WSA caused by its mining operations. BLM has estimated the cost of reclamation at $120,500. If the WSA is to be rehabilitated, BLM will probably have to pay for it, because no bond was posted. BLM estimates that 70-80% of violations causing damage in WSAs are related to hard rock mining.

A 1986 report by the BLM indicated there are 71 mine sites with potentially hazardous wastes that were not covered by reclamation bonds. Last year a Government Accounting Office (GAO) report pointed out that BLM regulations and policy have limited the use of bonding even though it could be an effective enforcement tool.

Forest Service regulations require bonds for all types of operations that are likely to create significant surface disturbance. BLM on the other hand requires a bond only for operations covering 5 or more acres, and then only for operators with a record of noncompliance. To quote the GAO report, "an operator's past performance is no guarantee that lands will be reclaimed. Even with the best of intentions an operator may go bankrupt and be unable to pay for reclamation."

We urge you to include language in the FY 1988 appropriations bill, as the House passed bill did last year, that requires the posting of bonds for mineral operations that will disturb the surface of public lands.

Wilderness Leasing Ban

Under your leadership the House of Representatives has enacted a ban on mineral leasing in wilderness areas and wilderness study areas as part of the Department of Interior's Appropriations Bill for the past 5 years. The action has been taken to preserve Congressional prerogative to designate wilderness, because issuance of leases could create certain potentially compensable mineral expectations or "rights. We recommend continuation of this ban, which affects less than four

percent of all national forest land and less than eight percent of the total BLM lands.

Land and Water Conservation Fund

While we recognize necessary funding restraints, we believe that the Land and Water Conservation Fund program has suffered more than its share of funding reductions. The Administration has for several years proposed in its budget to eliminate the modest BLM land acquisition program but Congress has consistently rejected that notion. Many valuable areas, which Congress has authorized for purchase, face immediate and permanent threat from development. Since the BLM is required to attempt exchanges of land first, use of acquisition funds is always a last resort. We ask you to reaffirm Congressional commitment to the LWCF program by supporting BLM Land and Water Conservation Fund appropriations at the $30 million level for FY 1988.

BLM/Forest Service Interchange

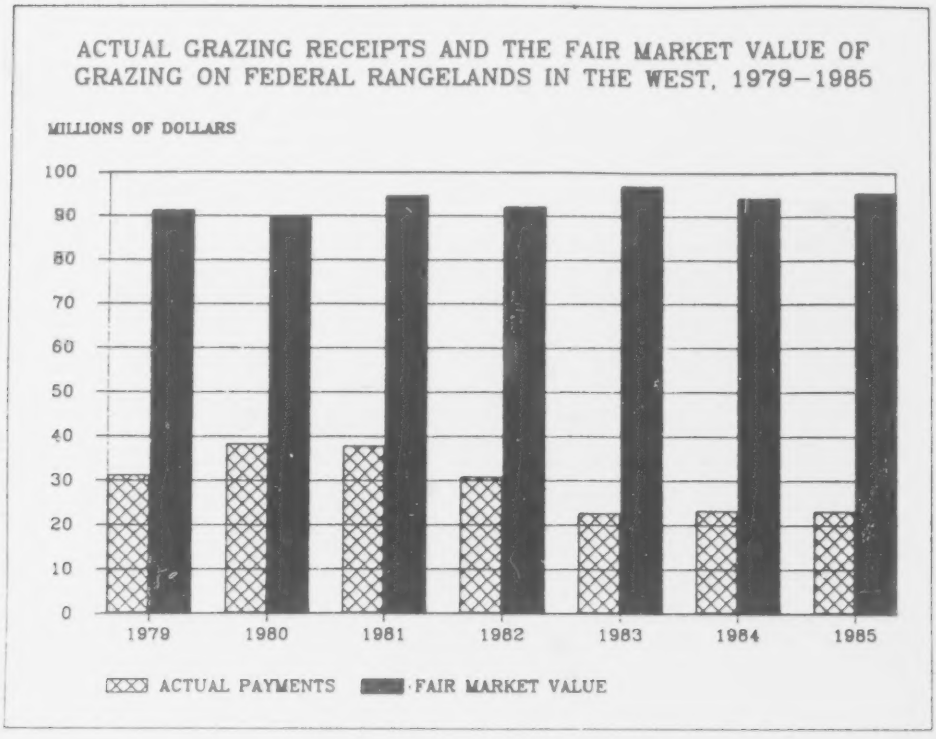
The administration has again included the BLM/FS Interchange in its budget documents. Beginning with the 1985 supplemental appropriations bill Congress has included a ban on implementation of this land swap. We ask you to extend such a ban through 1988. We believe such a land exchange should require action by Congress prior to any implementation. While the Wilderness Society supports the concept of blocking up checkerboard ownership, we have serious misgivings about the Administration's proposal.

The Interchange has been promoted on the basis of enhanced public services, improved management efficiency, and saved agency costs. The administration apparently believes that the program's benefits should be judged on the number of staff positions that can be eliminated and the number of offices closed or consolidated. We believe that the benefits of this proposal should be judged on how it would actually improve management and protection of our nation's resource heritage.

Grazing Fee

In 1985, only 35% of the costs of the Federal Government's grazing program were covered by fees charged by the BLM and Forest Service. In that year, receipts from grazing on federal land were $72,000,000 less than they would have been if fair market prices had been paid. Despite FLPMA's mandate for Fair Market Value (section 102 (a) (9)), the Administration has continued this subsidy, which promotes overuse of the range. If the appraised fair market value of the forage and had been charged between 1979 and 1985 we estimate that the receipts would cover the entire BLM budget for 1988 as submitted by the administration. Attached to this statement is a table that details the difference between the actual fee receipts and the fair market value for the forage consumed on public lands in the western U.S. for those years.

We recommend that the Administration be required to collect true fair market value on grazing permits.



GRAZING RECEIPTS (*)	1979	1980	1981	1982	1983	1984	1985	AVERAGE
	(MILLIONS OF DOLLARS)							
FAIR MARKET VALUE	91.3	89.6	94.7	92.2	97.0	94.3 (**)	95.4 (**)	93.5
ACTUAL PAYMENTS	31.3	38.3	37.9	30.9	22.7	23.2	23.2	29.6
DIFFERENCE (***)	60.1	51.3	56.8	61.4	74.3	71.1	72.2	63.9

(*) Actual receipts were estimated using grazing levels reported by the BLM and Forest Service for the 16 contiguous western states and fees actually charged by the two agencies. Fair market value receipts for the years 1979–1983 were estimated using actual grazing levels and the average fair market value grazing fee for those years as listed in the 1986 USDA/BLM Grazing Fee Review and Evaluation.

(**) Fair market value grazing fees are not available for the years 1984 and 1985. Fair market value receipts for these years are based on actual grazing levels and the lowest average fair market value estimated for the period 1979–1983.

(***) Data may not result in differences shown due to rounding.

Statement of W.F. Gabel, State Forester, and John M. Schwalm, Urban Forester, Delaware Department of Agriculture, Forestry Section

As State Forester of the Delaware Department of Agriculture, Forestry Section, I have a deep interest in urban forestry. I am concerned about the proposed appropriation for the urban forestry line item in the USDA Forest Service 1988 budget. I believe that it is essential to maintain funding levels at $2.0 million for this important program of technical assistance to our cities and towns.

Although the funding level for urban forestry has been minimal, the benefits of the efforts have been significant. For example, in the state of Delaware the Department of Agriculture, Forestry Section has provided technical assistance and grant monies have been used to set up Urban Forestry projects in the towns of Milford, Seaford, Smyrna, Dover, Laurel, Bridgeville, Rehoboth, Dagsboro, Ocean View, Wyoming, Millville, Millsboro and Delaware City. We are proud of these local accomplishments.

The benefits of this project for the community have been great. The projects have included establishment of community tree nurseries, development of urban assistance against insect, disease, and people damage, forest management plans, establishment of trees and shrubs in both new and present town parks and other public areas. Several publications on urban forestry have been produced.

The results of the project are developing street tree inventories, establishing plant learning centers at both a college and twenty-seven schools, building and establishing a paved handicapped nature trail (only one in the state of Delaware); and providing year-round forestry educational programs to over 2,000 elementary grade students. Thousands of tree seedlings have been distributed to these school children.

Research done to benefit urban forestry efforts is also a very important part of improving the quality of life for residents of cities and towns. This funding is part of the Forest Service's Forest Recreation Research budget, and not a separate line item. We feel this research has been very valuable and request the funding be maintained at last year's level of at least $1 million.

The Urban Forestry program provides Delaware towns with basic incentives to enter into local forestry programs, with professional assistance by local foresters.

Thank you for this opportunity to submit a statement for the record.

Statement of Dr. William Burnham, President, Peregrine Fund, Inc.

Mr. Chairman, thank you for the opportunity to submit a written statement on the funding needs of the endangered species recovery programs for the Peregrine Falcon in FY88. The amount requested as an add-on to the budget of the U.S. Fish and Wildlife Service for captive propagation of falcons is $300,000.

The three officially approved recovery programs for the Peregrine rely on captive propagation and the release of young falcons as the main methods for restoring populations in nature. These programs are headquartered at the Cornell University Laboratory of Ornithology in Ithaca, New York, at the World Center for Birds of Prey in Boise, Idaho, and at the Predatory Bird Research Group, University of California, Santa Cruz. They are operated by The Peregrine Fund, Inc. in cooperation with the U.S. Fish and Wildlife Service and other federal and state agencies, as well as with non-governmental organizations. Beginning this spring propagation of Peregrines will occur only at the Idaho and California facilities. The New York facility will be used only as a collection point for young to be released and as a eastern field headquarters. In 1988 the Cornell facility will be totally closed, and falcons for release will be sent directly from the Boise facility to eastern state release locations.

No other endangered species' recovery effort has extended over such a large portion of the United States as has the Peregrine Falcon program. Almost 2000 Peregrines have been released in 27 states. From a low of 27 known pairs in 1975 where releases have occurred, there are now 180 known pairs (Tables 1, 2, and 3). Even though great strides have been made, we are still only about one third of the way to the species' recovery goal of 438 breeding pairs, or about 500 total pairs, within these states as established in the official FWS recovery plans. For example, in the northern Rocky Mountain states there is an average of one known pair for

every 27,000 sq km, an area larger than Switzerland. Seven state release programs will be complete by fall of 1987, and five more after releases in 1989 and 1990. However, many states, such as West Virginia, South Carolina, North Carolina, Tennessee, Nevada, Idaho, Oregon, and Washington, all have one or fewer pairs of Peregrines known to be breeding in the entire state. Other states, such as Montana, Wyoming, Vermont, and Maine, have two or fewer known breeding pairs. Larger numbers of breeding Peregrines are found in states where releases have occurred for several years, such as California, Colorado, Virginia, and New Jersey. There is no doubt about the effectiveness of the program, but since Peregrines do not breed until two to four years of age and mortality is high in the first year of life (40-60%) for either captive produced or wild Peregrines, A significant investment of falcons must be made to establish a breeding pair; usually several years of releases are required.

In FY87 the cost to operate the three programs will be about 1.1 million dollars, of which the U.S. Fish and Wildlife Service has contributed $300,000 as a consequence of the add-on approved by the Congress last year. The remainder of the funding, as before, is being covered by contracts from regional offices of FWS, from other state and federal agencies, and gifts from private sources. Without the add-on it would be impossible to secure these "matching funds", and the Peregrine recovery efforts would be terminated prematurely.

The disappearance of the Peregrine Falcon throughout most of the United States was primarily a result of use of DDT and other chlorinated pesticides. Millions of tons of these insecticides were applied to forests, marshes, plains, and fields. One of the largest users was the Department of Agriculture. Expenditures of public funds resulted in the loss of the falcons, and again we are requesting that public funds help restore the falcons throughout their historical range. Under the Endangered species Act of 1973, the U.S. Fish and Wildlife Service has primary responsibility for carrying out provisions of the Act. In the officially approved recovery plans the U.S. Fish and Wildlife Service is identified as the primary funding source for recovery of the Peregrine. If funding for propagation can again be provided through the Service as an add-on in the amount of $300,000 for FY88, the remainder of the budget for release, surveys, and other field work can be developed from other sources.

The success of the Peregrine recovery to date has clearly demonstrated what can be accomplished through cooperation between private and government organizations in effort and funding. The program also demonstrates the need and value of financial support for wildlife programs. In comparison to snail darters, grizzly bears, wolves, or condors, the Peregrine is virtually non-controversial. Falcons are now breeding on cliffs, towers, bridges, and in cities, and although still very rare they are widely enjoyed where they do exist. The Peregrine has broad public support and is used by federal and state wildlife agencies and land management agencies to illustrate what can be accomplished with an endangered species. Considerable funding for state non-game and endangered species programs is generated annually through income tax check off and license plate programs because of the publicity on Peregrines. There may also be a benefit in the endangered species allocations because of that success. The Peregrine is a flagship species and, like the Bald Eagle, symbolizes the qualities of courage and freedom most Americans value. To terminate the program before its carefully planned completion would engender a public perception of ineffectiveness for all recovery efforts and the entire Endangered Species Act.

For all of these reasons, Mr. Chairman, we urge your Committee to continue federal support for this program.

Table 1
PEREGRINE FALCON RECOVERY PROGRAM
Peregrines Released by The Peregrine Fund, Inc.

STATE	YEARS	RELEASED		PAIRS KNOWN (Producing & Non-producing)		RECOVERY GOAL (Producing Pairs Only)	ESTIMATED COMPLETION OF PEREGRINE RELEASE	LOCAL FUNDING AVAILABLE
		Attempted	Successful	1975	1986			
California[1]	81-86	329	299	8	77	120	1990	Release
Colorado	74-86	380	299	6	21	31	1990	Release
Delaware	81	4	0	0	3	Regional[2]	Completed	-
Georgia	Interest	-	-	0	-	Regional[2]	-	Very Limited
Idaho	77-79,82-86	74	53	0	1	17	1995	Release
Maine	84-86	68	62	0	0	Regional[2]	1991	Very Limited
Maryland	75-84	108	90	0	5	Regional[2]	Completed	-
Massachusetts	75-79,84-85	31	19	0	1	Regional[2]	Completed, 1987	-
Montana	81-86	70	58	1	2	20	1995	Release
Nebraska	79	3	0	0	0	1	Discontinued	-
Nevada[1]	84-86	15	8	0	1	5	1995	Release
New Hampshire	76-86	88	73	0	5	Regional[2]	Completed, 1987	-
New Jersey	75-85	77	61	0	14	Regional[2]	Completed	-
New Mexico	77-79	28	16	8	21	23	Completed	-
New York	75-86	140	119	0	5	Regional[2]	1989	Release
North Carolina	81,84-86	32	29	0	1	Regional[2]	1992	Release
Oregon[1]	82-86	25	17	1	2	30	1995	Release
Pennsylvania	76-78,81	20	10	0	(3)[3]	Regional[2]	Completed	-
South Carolina	85-86	12	8	0	0	Regional[2]	1992	Very Limited
South Dakota	79	3	2	0	0	1	Discontinued	-
Tennessee	84-86	13	12	0	0	Regional[2]	1992	Limited
Utah (Northern)	79-86	69	50	0	4	21	1991	Release
Vermont	77,82-86	95	86	0	1	Regional[2]	1990	Very Limited
Virginia	78-86	135	116	0	7	Regional[2]	1992	Release
Washington[1]	82-86	17	12	3	7	30	1995	Very Limited
Washington, D.C.	79-81	13	12	0	0	Regional[2]	Discontinued	-
West Virginia	87	0	0	0	0	Regional[2]	1990	Release

Table 1
PEREGRINE FALCON RECOVERY PROGRAM
Peregrines Released by The Peregrine Fund, Inc.

STATE	YEARS	RELEASED		PAIRS KNOWN (Producing & Non-producing)		RECOVERY GOAL (Producing Pairs Only)	ESTIMATED COMPLETION OF PEREGRINE RELEASE	LOCAL FUNDING AVAILABLE
		Attempted	Successful	1975	1986			
Wisconsin	76-77	8	1	0	0	Regional[2]	Discontinued	-
Wyoming	80-86	112	93	0	2	14	1995	Release
TOTAL	1974-86	1969	1605	27	180	438	1995	N/A

[1]In affiliation with the Santa Cruz Predatory Bird Research Group, University of California

[2]Number of breeding pairs to achieve recovery are on a regional basis in the Eastern United States. Refer to Table 2 for details.

[3]The pairs are nesting on bridges between New Jersey and Pennsylvania. They are recorded under New Jersey figures because they currently nest on the New Jersey portion of the bridge.

Table 2
EASTERN PEREGRINE RECOVERY PROGRAM BY STATE AND REGION
Peregrines Released by The Peregrine Fund, Inc.

	YEARS	RELEASED		NO. OF PAIRS KNOWN		RECOVERY GOAL	ESTIMATED COMPLETION OF PEREGRINE RELEASE	LOCAL FUNDING AVAILABLE
		Attempted	Successful	1975	1986			
Northeastern Region								
Maine	84-86	68	62	0	0		1991	Very Limited
Massachusetts	75-79,84-85	31	19	0	1		Completed,1987	-
Montreal	-	0	1	-	1		-	-
New Hampshire	76-78	88	73	0	5		Completed,1987	-
New York	75-86	129	114	0	3		1989	Release
Vermont	77,82-86	95	86	0	1		1990	Very Limited
TOTAL	1975-86	411	354	0	11	60[1]	1991	
Mid-Atlantic Region								
Delaware	81	4	0	0	3		Completed	-
Maryland	75-84	108	90	0	5		Completed	-
New Jersey	75-85	77	61	0	14		Completed	-
New York City	80-81	11	5	0	2		Completed	-
North Carolina (Coast)	81	5	5	0	0		Completed	-
Pennsylvania	76-78,81	20	10	0	0		Completed	-
Virginia (Coast)	78-86	118	103	0	7		Completed	-
Washington, D.C.	79-81	13	12	0	0		Completed	-
TOTAL	1975-86	356	286	0	31	25[1]	Completed	-
Southeastern Region								
Maryland (Western)	-	0	0	0	0		1992	Very Limited
North Carolina	84-86	27	24	0	1		1992	Release
South Carolina	85-86	12	8	0	0		1992	Very Limited
Tennessee	84-86	13	12	0	0		1992	Limited

Table 2
EASTERN PEREGRINE RECOVERY PROGRAM BY STATE AND REGION
Peregrines Released by The Peregrine Fund, Inc.

	YEARS	RELEASED		NO. OF PAIRS KNOWN		RECOVERY GOAL	ESTIMATED COMPLETION OF PEREGRINE RELEASE	LOCAL FUNDING AVAILABLE
		Attempted	Successful	1975	1986			
Virginia (Southern)	85-86	17	13	0	0		1992	Release
West Virginia	-	0	0	0	0		1990	Release
TOTAL	1984-86	69	57	0	1	40[1]	1992	
Miscellaneous								
Wisconsin	-	8	1	0	0		Discontinued	-
GRAND TOTALS	1975-86	844	698	0	43	125[1]	1992	N/A

[1]These are recovery goals for the number of productive pairs per region which is different than the "number of pairs" known which included all pairs, reproducing or not.

Table 3
WESTERN PEREGRINE FALCON RECOVERY PROGRAM BY STATE
Peregrines Released by The Peregrine Fund, Inc.

STATE	RELEASED			NO. OF PAIRS KNOWN		STATE RECOVERY GOAL[2]	ESTIMATED COMPLETION OF PEREGRINE RELEASE	LOCAL FUNDING AVAILABLE
		Attempted	Successful	1975	1986			
California[1]	81-86	329	299	8	76	120	1990	Release
Colorado	74-86	380	299	6	21	31	1990	Release
Idaho	77-78,84-86	74	53	0	1	17	1995	Release
Montana	81-86	70	58	1	2	20	1995	Release
Nebraska	79	3	0	0	0	1	Discontinued	
Nevada	84-86	15	8	0	1	5	1995	Release
New Mexico	77-79	28	16	8	21	23	Completed	
Oregon[1]	82-86	25	17	1	2	30	1995	Release
South Dakota	79	3	2	0	0	1	Discontinued	
Utah (Northern)	79-86	69	50	0	4	21	1991	Release
Washington[1]	82-86	17	12	3	7	30	1995	Limited
Wyoming	80-86	112	93	0	2	14	1995	Release
TOTAL	1974-86	1125	907	27	137	313	1995	N/A

[1]In affiliation with the Santa Cruz Predatory Bird Research Group, University of California

[2]Producing pairs only which is different than "number of pairs known" which includes all pairs, reproducing or not.

LETTER FROM JOHN THOMAS, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF COUNTIES

March 12, 1987

The Honorable Robert C. Byrd
Chairman, Interior and Related
Agencies Subcommittee
Committee on Appropriations
SD 114 Dirksen Senate Office Building
Washington D.C. 20510

Dear Senator Byrd:

The National Association of Counties would like to submit the enclosed comments for the record on the FY 1988 Interior Budget as proposed by the President.

As you are probably aware, the Payments-in-lieu-of-taxes (PILT) program is a high priority issue for over 1500 counties across the nation that contain significant amounts of federally owned land. With the loss of revenue sharing last year, full funding of $105 million for PILT is even more critical this year.

NACo will again vigorously oppose the Administration's attempts to alter the distribution formula for forest and mineral leasing receipts from a gross to a net basis. These revenues are important to counties for their road and school budgets. Counties play an important role by maintaining the infrastructure essential to support federal activities on the public lands. Altering how these receipts are distributed would also be a violation of the intergovernmental partnership which has existed since the early 1900's.

We also support a strong timber sales program to meet the nation's demand for lumber and to provide for a healthy economy in the rural communities where the sales occur. Not only is a strong program good for local economies, but it provides a source of much needed revenues for the U.S. Treasury as well.

We thank you for the opportunity to comment on the Interior Budget and look forward to working with the Committee throughout the appropriations process.

Sincerely,

John Thomas
Executive Director

STATEMENT OF JOHN THOMAS

THE NATIONAL ASSOCIATION OF COUNTIES APPRECIATES THE OPPORTUNITY TO PRESENT OUR VIEWS ON PROGRAMS OF CRITICAL IMPORTANCE TO PUBLIC LANDS COUNTIES THROUGHOUT THE COUNTRY. THESE ARE THE PAYMENTS-IN-LIEU-OF-TAXES (PILT) PROGRAM, THE FOREST SERVICE'S 25% RECEIPT SHARING PROGRAM AND THE TIMBER SALES PROGRAM.

1. THE OVERALL BUDGET

THIS YEAR AS IN PAST YEARS, THE NATION'S COUNTIES RECOGNIZE THE NEED FOR EACH LEVEL OF GOVERNMENT TO SHARE IN THE BURDEN OF DECREASING THE NATIONAL DEFICIT. OUR MEMBERSHIP SUPPORTED AN ACROSS THE BOARD FREEZE FOR FY 1987 AND WE WILL AGAIN SUPPORT THOSE SAME LEVELS FOR FY 1988 AS OPPOSED TO DEEP CUTS IN INDIVIDUAL PROGRAM AREAS. SINCE 1981, WE HAVE ALREADY ABSORBED OVER $30 BILLION IN CUTS TO STATE AND LOCAL GOVERNMENTS.

HOWEVER, WHILE THE FEDERAL GOVERNMENT HAS SERIOUS BUDGET DIFFICULTIES, COUNTY FISCAL AFFAIRS ARE ALSO SEVERELY STRAINED. ACCORDING TO THE 1982 CENSUS OF GOVERNMENTS, COUNTIES REPORTED AN OUTSTANDING AGGREGATE DEBT OF $45 BILLION, AN AMOUNT IN EXCESS OF THE TOTAL OF LOCALLY GENERATED RECEIPTS OF ALL COUNTIES. IN FACT, SINCE 1966, COUNTY OUTSTANDING DEBT HAS JUMPED 100 PERCENT WITH EACH MID-DECADE REPORT. THIS TREND IS EXPECTED TO CONTINUE AS MANY COUNTIES HAVE FOUND IT NECESSARY TO RELY HEAVILY ON LONG TERM DEBT FINANCING FOR ECONOMIC DEVELOPMENT ACTIVITIES; MAJOR INFRASTRUCTURE REPAIR; AND PUBLIC CONSTRUCTION, PARTICULARLY SCHOOLS. CERTAIN ASPECTS OF THE RECENTLY ENACTED TAX REFORM WILL ONLY EXACERBATE THIS SITUATION.

CREATING SAVINGS IN THE FEDERAL BUDGET BY SIMPLY SHIFTING THE RESPONSIBILITY AND THE COST TO LOCAL GOVERNMENTS HAS BECOME UNACCEPTABLE TO OUR NATION'S COUNTIES. WITH THE ELIMINATION LAST YEAR OF THE GENERAL REVENUE SHARING PROGRAM, MR. CHAIRMAN, WE ARE DOWN TO THE BONE. AS YOU KNOW, THE PRIMARY SOURCE OF REVENUE FOR COUNTIES REMAINS THE PROPERTY TAX, THE LEAST POPULAR AND MOST HEAVILY CRITICIZED TAX AT THE LOCAL LEVEL. WITH THE LOSS OF GRS, MANY COUNTIES WILL HAVE TO RAISE THEIR PROPERTY TAXES JUST TO MAINTAIN THE SAME LEVEL OF SERVICES AS LAST YEAR. NO ELECTED OFFICIAL IS UNAWARE OF THE POLITICAL COST OF RAISING TAXES, AND WE ARE WEARY OF BEING ON THE FRONT LINE IN THAT BATTLEFIELD. IT IS TIME FOR CONGRESS TO CONSIDER THAT UNSAVORY ALTERNATIVE AND ADDITIONAL DEFENSE CUTS IF THE FEDERAL DEFICIT TARGETS OF GRAMM-RUDMAN-HOLLINGS ARE TO BE MET.

AGAIN THIS YEAR, THE NATIONAL ASSOCIATION OF COUNTIES HAS ESTABLISHED THE PAYMENTS-IN-LIEU-OF-TAXES (PILT) AND THE FOREST SERVICE'S RECEIPT SHARING PROGRAM ON THE LIST OF ITS HIGHEST PRIORITY PROGRAMS.

2. PAYMENTS-IN-LIEU-OF-TAXES

WE ARE GRATEFUL TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES AND THE ADMINISTRATION FOR PROVIDING A FULL LEVEL OF FUNDING FOR PILT IN FY 1987. THE PUBLIC LANDS COUNTIES OF THE COUNTRY, OF WHICH THERE ARE OVER 1500, ARE APPRECIATIVE OF THE RECOGNITION BY CONGRESS AND THE ADMINISTRATION OF THE NEED OF THAT VITAL SOURCE OF REVENUE.

COUNTIES PROVIDE ESSENTIAL HEALTH, SOCIAL SERVICE, AND PUBLIC SAFETY PROGRAMS IN A MAJORITY OF THE STATES. WITH DWINDLING FEDERAL AND STATE SUPPORT, COUNTIES ARE HARD PRESSED TO RAISE REVENUES ON THEIR OWN TO MAINTAIN A MINIMUM LEVEL OF FUNDING FOR MANY OF THESE VITAL SERVICES. AND THAT IS FOR COUNTIES THAT HAVE A TAX BASE THAT REPRESENTS MOST OF THE GEOGRAPHICAL AREA OF A JURISDICTION.

AS YOU WELL KNOW, FOR MANY OF THE COUNTIES IN THE WEST WITH VAST AMOUNTS OF TAX-EXEMPT FEDERAL LANDS, THE PILT PROGRAM IS A LIFE LINE FOR SURVIVAL. YOU MAY NOT BE AS AWARE THAT THERE ARE COUNTIES IN STATES SUCH AS NORTH CAROLINA, MINNESOTA, AND KENTUCKY THAT ARE ALSO MORE THAT 50 PERCENT OWNED BY THE FEDERAL GOVERNMENT. THE REVENUE FROM PILT IS USED BY COUNTIES TO SUPPORT THE SERVICES THAT ARE REQUIRED BY THE PRESENCE OF THE VAST FEDERAL OWNERSHIP.

INCREASED ACTIVITIES DUE TO VISITORS TO THE PUBLIC LANDS REQUIRE MORE LOCAL LAW ENFORCEMENT, ROAD MAINTENANCE, FIRE PROTECTION, HEALTH AND HOSPITAL SERVICES THAN A COUNTY WOULD NORMALLY HAVE TO PROVIDE. COUNTIES ARE OFTEN CALLED FIRST TO PROVIDE SEARCH AND RESCUE OPERATIONS ON PUBLIC LANDS. THE STRAIN ON A RURAL COUNTY BUDGET OF SUCH EXPENSIVE BUT NECESSARY OPERATIONS IS EASED TO A GREAT EXTENT THROUGH THE PROVISION OF PILT FUNDING.

WE MIGHT ALSO POINT OUT THAT AUTHORIZING LEVELS FOR PILT FUNDING HAVE NOT INCREASED SINCE THE PROGRAM WAS ENACTED, NOR IS THERE A BUILT-IN FORMULA FOR INFLATION. COUNTIES HAVE ACTED WITH FISCAL RESPONSIBILITY AND RESTRAINT BY NOT SEEKING HIGHER AND HIGHER LEVELS OF REVENUE DESPITE THE FACT THAT OVER THE YEARS THE VALUE OF THE DOLLAR HAS DROPPED CONSIDERABLY. AGAIN THIS YEAR WE STRONGLY URGE THE APPROPRIATIONS COMMITTEE TO PROVIDE THE FULL LEVEL OF FUNDING OF $105 MILLION AS REQUESTED IN THE PRESIDENT'S FY 1988 BUDGET.

3. NATIONAL FOREST RECEIPTS

WHAT THE ADMINISTRATION HAS PROPOSED FOR NATIONAL FOREST RECEIPTS, HOWEVER, IS AN ENTIRELY DIFFERENT MATTER AND ONE WHICH THE NATIONAL ASSOCIATION OF COUNTIES WILL VIGOROUSLY OPPOSE. THAT IS THE ADMINISTRATION'S CONTINUED ATTEMPTS TO CHANGE THE DISTRIBUTION OF FOREST RECEIPTS (AND MINERAL AND OTHER NATURAL RESOURCE RECEIPT SHARING PROGRAMS) FROM A "GROSS" TO A "NET" BASIS.

WE VIEW THIS ISSUE NOT JUST AS A REVENUE ONE FOR COUNTIES BUT, JUST AS IMPORTANTLY, AS ONE INVOLVING AN INTERGOVERNMENTAL PARTNERSHIP BETWEEN THE FEDERAL, STATES, AND LOCAL UNITS OF GOVERNMENT. THE VAST FEDERAL OWNERSHIP OF LAND IN THE WESTERN STATES MEANS THAT THE ECONOMIC AND SOCIAL VITALITY OF COMMUNITIES ARE DIRECTLY AFFECTED BY FEDERAL PUBLIC LANDS DECISIONS. FOR EXAMPLE, THE FEDERAL OWNERSHIP OF THE STATE OF WASHINGTON IS 28% OF ITS LAND AREA, IN OREGON, 49%, AND IN IDAHO, 64%. THE FUNDING OF DEPARTMENT OF INTERIOR AND US FOREST SERVICE PROGRAMS AFFECT THE EVERYDAY LIVES OF THE CITIZENS OF THE MOSTLY RURAL COUNTIES IN WHICH FEDERALLY OWNED LAND IS LOCATED.

SINCE THE EARLY 1900'S, THE FEDERAL GOVERNMENT HAS BEEN SHARING WITH STATE AND LOCAL GOVERNMENTS THE GROSS RECEIPTS FROM TIMBER SALES AND MINERAL LEASING ON THE NATION'S PUBLIC LANDS. MINERAL LEASING MONIES ARE DIRECTED TO THE STATES AND ARE SHARED BY COUNTIES IN THE MINING IMPACT AREAS. 25 % OF THE GROSS SHARE OF FOREST RECEIPTS GO DIRECTLY TO COUNTIES TO BE USED IN THEIR ROAD CONSTRUCTION AND SCHOOL BUDGETS. FOR FY 1986, SKAMANIA COUNTY WASHINGTON, WHICH IS 78% FEDERALLY OWNED, THE COUNTY RECEIVED $6 MILLION IN FOREST RECEIPTS, AND IN HARNEY COUNTY, OREGON, WHICH IS 72% FEDERALLY OWNED, THEY RECEIVED $3 MILLION. THEIR TOTAL COUNTY BUDGETS, HOWEVER, WERE $8 MILLION AND $13 MILLION RESPECTIVELY. THE COUNTIES SUCH AS HARNEY AND SKAMANIA THAT SHARE IN THESE RECEIPTS ARE PRIMARILY THE RURAL, LESS POPULATED, RANCHING AND FARMING AREAS THAT HAVE BEEN THE HARDEST HIT IN THE RECENT AGRICULTURAL CRISIS.

ONCE AGAIN THE ADMINISTRATION IS PROPOSING TO CHANGE THE WAY THESE NATURAL RESOURCE RECEIPT PROGRAMS ARE SHARED WITH STATE AND LOCAL GOVERNMENTS. THEY HAVE TRIED UNSUCCESSFULLY THE LAST TWO YEARS TO DEDUCT THE FEDERAL COSTS OF ADMINISTERING THE RECEIPTS PROGRAMS BEFORE SHARING THEM ACCORDING TO CURRENT STATUTORY FORMULAS. FOR BOTH FOREST RECEIPTS AND MINERAL RECEIPTS, THE PROPOSED CHANGE WOULD REDUCE THE PAYMENTS TO STATES AND COUNTIES BY MORE THAN 42%. THAT DRASTIC CUT WOULD BE DEVASTATING TO RURAL COUNTY BUDGETS.

THE PURPOSE OF THE RECEIPT SHARING PROGRAMS IS TO HELP COUNTIES MITIGATE IMPACTS FROM THE ACTIVITIES ON NATIONAL FOREST LANDS. LOCAL GOVERNMENTS RECEIVED 25% OF GROSS FOREST RECEIPTS BECAUSE IT WAS NECESSARY THAT SOME MEANS BE FOUND TO ENABLE COUNTIES TO MAINTAIN THE INFRASTRUCTURE ESSENTIAL TO SUPPORT FEDERAL ACTIVITIES IN THE NATIONAL FORESTS. CONGRESS RECOGNIZED THE NECESSITY FOR THIS LOCAL SUPPORT WHEN IT DIRECTED THAT PART OF THE FOREST RECEIPTS TO COUNTIES BE USED FOR THEIR ROAD BUDGETS. THE OTHER PORTION OF FOREST RECEIPTS IS DIRECTED TO COUNTY SCHOOL BUDGETS AND YOU HAVE ALREADY HEARD FROM THE NATIONAL SCHOOL

BOARDS ASSOCIATION THIS AFTERNOON OF THE ADVERSE IMPACTS OF THE GROSS TO NET PROPOSAL ON THEIR ABILITY TO PROVIDE ADEQUATE EDUCATION IN THE COUNTIES.

RECEIPT SHARING WITH COUNTIES ALSO REFLECTED A RECOGNITION THAT WITH THE FEDERAL GOVERNMENT OWNING UP TO 50% AND IN SOME AREAS 90% OF THE LAND IN A LOCAL JURISDICTION, COUNTIES SIMPLY DID NOT HAVE THE TAX BASE TO SUPPORT ADEQUATE LEVELS OF CONSTRUCTION AND MAINTENANCE. THESE RECEIPTS ENABLE COUNTIES TO MAINTAIN THE ROADS, BRIDGES, AND OTHER INFRASTRUCTURE NECESSARY TO SUPPORT THE SALE OF TIMBER, MINERALS, AND OTHER RENEWABLE NATURAL RESOURCES ON FEDERAL LANDS. NOT ONLY DOES THE FEDERAL TREASURY BENEFIT FROM THE SALE OF THESE RESOURCES, BUT THE ECONOMIC ACTIVITY THAT IS GENERATED IN RURAL PARTS OF THE COUNTRY IS VITAL TO MAINTAINING A DECENT STANDARD OF LIVING IN THOSE ALREADY HARD PRESSED COMMUNITIES. OTHER BENEFICIARIES ARE THE MASSIVE NUMBER OF VISITORS WHO ARE DRAWN TO FEDERAL LANDS FOR RECREATIONAL AND OTHER PURPOSES. SAFE, ADEQUATE ACCESS TO FORESTS, PARKS, AND WILDERNESS AREAS DEPEND ON COUNTY MAINTENANCE OF RURAL ROADS.

THE ADMINISTRATIONS PROPOSAL DIRECTLY CONTRAVENES THE CONGRESSIONAL PURPOSE IN ENACTING THE RECEIPT SHARING PROGRAMS - TO MITIGATE THE BURDENS IMPOSED ON STATE AND LOCAL GOVERNMENTS BY FEDERAL ACTIVITY ON FEDERAL LAND. THE PROGRAM WAS DESIGNED TO BE A BALANCED PARTNERSHIP BETWEEN THE LEVELS OF GOVERNMENT, SO EACH COULD CARRY OUT ITS RESPONSIBILITIES ON ACTIVITIES THAT WERE INTERCONNECTED, AND BENEFITED BOTH. THE ADMINISTRATION'S ATTEMPT TO CHANGE THE RULES OF THE GAME IN THE NAME OF DEFICIT REDUCTION IS A SERIOUS BREECH OF THAT INTERGOVERNMENTAL PARTNERSHIP.

AS WE INDICATED EARLIER, COUNTIES IN GENERAL, AND EVEN MORE SO IN PUBLIC LANDS COUNTIES, ARE UP AGAINST THE WALL IN THEIR ABILITY TO RAISE NEW REVENUE TO OFFSET LOSSES IN INTERGOVERNMENTAL REVENUE. THE PROPERTY TAX REMAINS THE PRIMARY SOURCE OF REVENUE. AND , OF COURSE, IN PUBLIC LANDS COUNTIES THERE IS ALREADY PROPERTY AVAILABLE TO TAX. IN 40 STATES, THERE ARE PRESENTLY STATE LIMITATIONS ON EITHER PROPERTY TAX RATES, LEVIES, OR GENERAL EXPENDITURES. MANY OF THESE STATE LEGAL LIMITATIONS ARE DIFFICULT TO CHANGE BECAUSE THEY ARE CONSTITUTIONALLY REQUIRED, OR REQUIRE ACTION BY REFERENDUM. LAST YEAR IN MONTANA, THERE WAS AN INITIATIVE ON THE BALLOT THAT WOULD HAVE ENTIRELY ELIMINATED THE PROPERTY TAX. IT TOOK A CONCERTED EFFORT BY STATE AND LOCAL OFFICIALS AND COMMUNITY BUSINESS LEADERS TO DEFEAT THE PROPOSAL. THE UNPOPULARITY OF THE PROPERTY TAX IS A WELL DOCUMENTED PHENOMENON AMONG THE CITIZENS OF THIS COUNTRY. EVEN WHILE SURVEYS HAVE SHOWN THAT AMERICANS GENERALLY FEEL THAT THEIR TAX DOLLARS ARE BETTER USED AT THE LOCAL RATHER THAN THE FEDERAL LEVEL, THEY ARE RELUCTANT TO SUPPORT INCREASES AT EITHER LEVEL.

THEREFORE, COUNTY OFFICIALS FEEL VERY STRONGLY ABOUT THIS ISSUE AND WILL VIGOROUSLY FIGHT ANY ATTEMPTS TO IMPLEMENT THE ADMINISTRATION'S "GROSS TO NET" PROPOSAL.

4. FOREST SERVICE ROAD APPROPRIATIONS

LAST YEAR AT OUR ANNUAL CONFERENCE, THE NATIONAL ASSOCIATION OF COUNTIES ADOPTED A RESOLUTION SUPPORTING THE TIMBER SALES PROGRAM AT FY 1986 LEVELS AND ALSO FOR THE ROAD CONSTRUCTION PROGRAM AT THE FY 1986 LEVELS. AGAIN THIS YEAR, WE STRONGLY SUPPORT A LEVEL OF FUNDING FOR FOREST SERVICE ROAD CONSTRUCTION WHICH WILL ENABLE THEM TO SUPPORT TIMBER SALES OF 12 BILLION BOARD FEET FOR FY 1988.

NOW THAT TIMBER DEMAND AND SALES HAVE INCREASED OVER THE LAST FEW YEARS, COUNTY OFFICIALS WANT TO SEE AT LEAST A STABLE SITUATION WITH TIMBER RECEIPTS. THE ECONOMIC DOWNTURN OF SEVERAL YEARS AGO, CAUSED SEVERE HARDSHIPS IN COMMUNITIES WHERE TIMBER WAS THE DOMINANT ECONOMIC FORCE. A STRONG TIMBER SALES PROGRAM BENEFITS

THE ECONOMIC AND SOCIAL LIFE OF RURAL COMMUNITIES AS WELL AS PROVIDING A STABLE SOURCE OF REVENUES FOR THE COUNTIES. NOT ONLY DO LOCALITIES BENEFIT, THE FEDERAL TREASURY RECEIVES SUBSTANTIAL REVENUES FROM A STRONG TIMBER SALES PROGRAM AS WELL.

CONCLUSION

NACO THANKS THE SUBCOMMITTEE FOR ITS ATTENTION AND APPRECIATES THE OPPORTUNITY TO WORK WITH CONGRESS ON THESE PROGRAMS WHICH ARE VITAL TO COUNTIES IN THE WEST AND ACROSS THE NATION.

LETTER FROM FAITH THOMPSON CAMPBELL, PH.D., NATURAL RESOURCES DEFENSE COUNCIL

February 27, 1987

Mr. Robert C. Byrd
Chairman
Subcommittee on Interior Appropriations
U.S. Senate
Washington, D.C. 20510

Dear Mr. Byrd:

The Natural Resources Defense Council requests that the following material be included in the record of the hearing on the FY 1988 Appropriations bill for Interior and Related Agencies. We appreciate this opportunity to make our views known to members of the Subcommittee.

In addition to the statements enclosed, which address the international programs of the U.S. Fish and Wildlife Service and the National Park Service, wildlife management by the Bureau of Land Management and U.S. Forest Service, and certain other aspects of the budget of the National Park Service, Natural Resources Defense Council would like to endorse the testimony of the Defenders of Wildlife as it concerns the endangered species program of the Fish and Wildlife Service.

Thank you once again for considering our views. We look forward to working with you to ensure adequate funding for these vitally important programs.

Sincerely,

Faith Thompson Campbell

Faith Thompson Campbell, Ph.D.

STATEMENT OF FAITH THOMPSON CAMPBELL

National Park Service and Fish and Wildlife Service

Scientists estimate that by the end of this century, from 500,000 to 2,000,000 species may become extinct. This will be a disaster of unprecedented proportions, bringing with it losses to agriculture and other basic human needs as well as to science and aesthetic values. Preventing this disaster depends to a large extent on building up conservation agencies in the countries where these species' habitats are located -- primarily the tropics. These countries need training, technical assistance,

access to scientific information, and enhanced prestige. And most of them cannot afford to pay for this help.

U.S. conservation agencies, particularly the National Park Service (NPS) and Fish and Wildlife Service (FWS) have long been recognized as providing international leadership in the conservation of wildlands and wild species. However, their effectiveness has been hampered by the lack of stable funding. The Congress could contribute much toward the international effort to prevent widespread extinctions by ensuring slightly higher funding to the NPS' and FWS' international programs.

National Park Service

The Administration's FY 88 request for the NPS Office of International Affairs is $412,000; this is about $200,000 too low to cover personnel and overhead costs for the Office as now constituted (10 FTEs). Worse, the request contains no operational funds. If Congress does not provide additional funds, the highly skilled staff will be severely limited in the work they can do.

Congress should first appropriate $300,000 to pay the personnel costs of the Western Hemisphere Programs Coordinator and continue this program at its present level. Now in its second year, NPS' implementation of the Western Hemisphere Convention is already showing impressive results. Its goal is to train South and Central American wildlands managers, especially in the techniques needed to conserve biological diversity.

Several current activities build on projects begun in FY 86. Thus, the Spanish-language training manual developed at last year's meeting of the Commission on National Parks and Protected Areas of the International Union for Conservation of Nature and Natural Resources (IUCN) is now in the final stages of editing. The manual addresses seven topics of importance to parks management -- park operations, maintenance, resource management, interpretation, community relations, and search and rescue. Community relations is particularly important in gaining the support of neighboring towns and thus reducing poaching of wildlife and trees and unauthorized farming on park lands.

In FY 86, the NPS joined Parks Canada, Food and Agricultural Organization, Organization of American States, and World Wildlife Fund in sponsoring Parks, an international journal of park management. The NPS share, $30,000, made possible production of a Spanish-language edition and distribution of the journal to all protected area units in the Hemisphere outside the United States. NPS is now discussing with the publishers the size and use of a U.S. contribution in FY 87.

Western Hemisphere funds made possible the participation of 10 Latin Americans in two international training seminars on parks management. Three participated in the month-long 20th International Seminar on National Parks. NPS also enabled the Costa Rica parks department to host the final sessions of the seminar, where participants observed first-hand that department's efforts to protect tropical ecosystems. Subjects covered in Costa Rica included the master planning process, biological restoration of a degraded area, and visitor management. Seven other Latins participated in the first annual marine parks seminar, which looked at management problems confronting these special areas. This seminar, which is based in Florida and the Caribbean, is expected to be held again this year.

An interesting new course has received high praise. It seeks to ensure that nations' parks departments can actually

carry out decisions made by the leadership. The course builds the skills of top ministerial officials in such management areas as communications, supervision, and priority-setting. The course materials are in Spanish; the NPS also provided two instructors. So far three workshops have been held; a fourth is scheduled for Panama. Latin conservation officials are now leading the workshops themselves, so that these important skills can be disseminated more widely.

A parallel set of courses is aimed at mid-level managers. These develop skills in addressing the issues of parks management -- developing environmental education and interpretation programs, park planning, and protecting the resource. Field visits are used to identify examples of both successful and unsuccessful approaches. The aim is to develop teams who will work together in the future. During this past year, such courses have been held in Mexico, Brazil, and Argentina; the latter included students from eighteen countries.

Of course, the extinction crisis is not limited to the Western Hemisphere. African countries, in particular, face incredible pressures on their parks -- which will be the only homes for the vast herds of antelope, the cheetah, and the elephant. NPS has ample authority to assist these other countries under the World Heritage Convention, implemented by P.L. 96-515; and Section 8 of the Endangered Species Act, P.L. 93-205. The limiting factor is money. NPS has no operational funds to assist these countries.

In recent years, the NPS has received an appropriation of $110,000 to $120,000 under the World Heritage Convention. Under the terms of the appropriation, this has been passed through to the International Council on Monuments and Sites (ICOMOS), which assists in implementation of the Convention for cultural sites. It has been agreed that this special appropriation, used by U.S. ICOMOS to prepare for an international meeting this year, will not be needed in the future. Instead, the $100,000 should be appropriated solely to NPS' Office of International Affairs to fund technical assistance and training programs for World Heritage party-states outside the Western Hemisphere.

If transferring this funding to this new purpose proves impossible in this time of fiscal constraint, Congress should provide $25,000 to NPS to enable it to work with the faculty of the College of African Wildlife Management at Mweka, Tanzania. This training facility is used by almost all English-speaking African countries. NPS would utilize its experience in Latin America and Sri Lanka (the latter under AID funding) to help develop state-of-the-art training packages for use at Mweka. This work would also build on a new marginal (arid) lands seminar that is now being developed in cooperation with the University of Arizona and other land managing agencies in the Tucson area.

Finally, the United States led the negotiation of the World Heritage Convention in 1973 and has long been an advocate for greater attention to natural sites under its auspices. The U.S. hopes to be elected to the 21-member governing World Heritage Commission later this year. However, it will not be eligible if it does not make the annual contribution. This contribution, $250,000, is part of the International Operations and Programs account. Please urge your colleagues on the International Operations subcommittee to restore this contribution to the appropriation.

Fish and Wildlife Service

As has been true in the recent past, the FWS Office of International Affairs continues to enjoy greater security in its funding than does the NPS. The Administration has requested for FY 88 $613,000 under General Administration, which covers personnel and overhead costs for the 11 FTEs; plus $390,000 under Wildlife Population Management for implementation of the Western Hemisphere Convention. Unfortunately, these "base" funds have sometimes "disappeared" due to changes in priority or administrative error. Therefore, NRDC asks that the Appropriations Committee include report language recognizing restoration of Western Hemisphere funding at $390,000 and stating that it expects these funds to be spent for training and technical assistance for wildlife and plant conservation in the Western Hemisphere.

FWS activities under past Western Hemisphere appropriations have begun to bear fruit. This January, the first twelve students enrolled in the graduate-level wildlife management program developed by FWS, the Costa Rican national university, World Wildlife Fund, and others. These students, form nine Latin countries, will in all likelihood return to jobs in their own countries' wildlife services at the conclusion of the 2.5 year course. They will have been trained in their native Spanish, will have researched their theses on management problems in their own countries, and will have been trained at a fraction of the cost of training in the United States. FWS is now exploring ways to provide scholarships for the full complement of students that the program is able to train -- 30 per year.

FWS is also working with the university in Minas Gerais, Brazil to improve that school's wildlife management Masters program and to enable students from neighboring countries to attend.

These two programs address training for ministerial staff. FWS is now exploring establishment of a center to train managers of wildlife refuges -- no such center now exists in Latin America.

FWS is also arranging to hold one of its upcoming training seminars in Latin America, probably Mexico. This will increase the host agency's own skills as well as saving time and money.

Finally, the FWS is undertaking a number of smaller projects to improve the flow of scientific information on plant and wildlife conservation issues.

The FWS, like the NPS, should be able to assist counterparts in countries outside the Western Hemisphere. The Service has adequate authority under Section 8 of the Endangered Species Act and other statutes, including the recently ratified Wetlands (Ramsar) Convention. However, it lacks funds. NRDC asks the Congress to appropriate $100,000 to enable FWS to assist the countries of Africa and Asia in conserving wildlife and plant species and their habitats.

Excess Foreign Currencies

The NPS and FWS are authorized to use U.S.-owned excess foreign currencies to assist conservation. In recent years, such currencies have been available in India, Pakistan, and, at various times, Egypt, Poland, and Burma. These projects are carried out at almost no cost to the U.S. taxpayer since currencies not used literally remain in a safe in the embassy. Nevertheless, the expenditure is included under budget ceilings, so in recent years restrictions have been placed on using these

funds. Currently, the Office of Management and Budget has prohibited future obligations of such currencies in all countries in all countries except India; India is exempt because rupees are now drawn from the interest earned by a trust fund. The NRDC urges the Committee to explore ways to unblock use of these currencies for conservation projects.

United States Forest Service

The president's budget makes serious cuts in the funding to the United States Forest Service, funding that is designated for vital work with wildlife habitat management. These budgetary cuts will also impare the programs designed to reverse the precarious predicament of the several threatened and endangered species residing upon their lands. The administration proposes cuts from $44,098 million to $37,924 million for the wildlife program. Worse, only $1.3 million (or approximately 4% of the entire wildlife program budget) is earmarked for management of T&E species. Such blatent disregard for the importance of the management of wildlife and their habitat will prove to delay even further and undermine an already inadequate management program.

Extinction is irrevocable. Threatened and endangered species management programs have a unique urgency in that even short funding delays can have disasterous results. Historically, funding for these programs has been less than adequate, making compliance with the Endangered Species Act mandate under section 7 (a) (1) and 3 (3) nearly impossible.

These delays will also prove to be unwise from a business standpoint. In the Western states, Regions 2, 3, 5, and 6, tourism, inspired by consumptive and non-consumptive wildlife use, is rapidly becoming very big business for both the Federal agencies and for the states. As reported in the national press, "The tourism business has passed the traditional extraction industries -- agriculture, mining, and timber -- to become [Idaho's] most important source of private sector jobs. The same transformantion can be seen throughout the West.... Regionwide, tourism is the fastest growing industry -- in some places, the only growing industry." 1.

The USFS, as the agency assigned stewardship of over 191 million acres of public lands, has a moral and legal obligation to manage our wildlife responsibly. The Congress shares in this legal and moral obligation to the people of the U.S. to protect and conserve our nation's natural heritage.

Table 1.	FY '88 (base)	FY '88 (proposed)	NRDC Recommendation
Wildlife Habitat (total)	$44,098,000	$37,924,000	$45,000,000
T & E Species (Plants)	$3,671,000 no earmark	$1,307,000 no earmark	$5,000,000 $1,000,000
FTE (total)	889	799	889
T & E FTE	57	26	60
FTE botanists	7	7	21

1. T.R. Reid "From Spuds to Scenery: West Shifts Economic Focus", Wahington Post, Feb. 12, 1987. p.A1.

The NRDC strongly recommends an appropriation consistent with high priority needs, such as inventory and habitat management. We feel that $5 million should be designated specifically for the protection, conservation and recovery of T&E species. One million dollars of this $5 million should be designated specifically for the hiring and training of botanists and plant species inventory and recovery.

The proposed FY '88 budget does not allow for such responsibile management. The Administration's cuts would hit a program already severely reduced since 1980, and would reduce the actual number of FTE employees even further below responsible and effective levels. Currently there are 7 botanists responsible for all the lands under USFS jurisdiction. Within these lands 43 T&E plant species and 516 candidate plant species survive. Last year Congress told USFS to hire more botanists and while there were four FTE additions, their specialties were ecology rather than botany; in effect, no botanists were hired. The NRDC reccommends the hiring of at least 14 more botanists to be located as follows:

Table 2. PLANTS:

Region #	Current FTE Botanists	Suggested FTE Botanists	# of T&E Species	# Of C1 & C2 Species
1	0	1	0	0
2	0	1	2	0
3	1	3	10	74
4	1	1	8	0
5	3 (+3 pt)	5 (+3 pt)	5	192**
6	0	2	2	104
8	1	4	8	114
9	0	2	3	46
10	0	1	0	8

** 100 of these plants are endemic to NFS lands

The discrepancy between the sum of the of T&E plants in Table 2. and the amount "43" sited in the text results from the table figures being slightly outdated. In addition to this, the inconsistancy between the C1&C2 text referrence of 516 and the sum of candidate species in Table 2 results from regional overlap of species in Table 2.

The cuts in the fish and wildlife management funding amount to $6,165,000 or approximately a 14% decrease from FY '87. Contrary to the administration assertions, this decrease will not be compensated by the $7-8 million that will be transferred to it from Knutson-Vandenberg funding. K-V moneys may only be used within the boundaries of timber sales, ie., in very limited areas which are not necessarily where wildlife management needs are most pressing. Furthermore, such funds will be available primarily in Regions 5, 6 and to some extent, 8. Regions 2, 4, 9, and even 8, despite important wildlife needs, will not receive adequate K-V funds to make up for losses. In this way, the K-V reimbusement does not even begin to address the very serious problem of the 14% cut in wildlife funds.

> William Beebe noted, "... when the last of a race breaths no more, another heaven and earth must pass before such a one can be again."

The USFS has been given the tremendous legal obligation of stewardship of our Nation's most valued resources and wildlife. The magnitude of this obligation can only be matched by the moral responsibility to protect, conserve and ensure the continued

biological abundance and diversity in our public lands for fututre generations.

Extinction often results from poor wildlife management. Several species are fast approaching a veritable point of no return; still others are already there. Their fate is sealed... but not necessarily so for the 129 listed, 12 proposed, and 670 C1&C2 species on NFS lands.

Extinction is real; extinction is forever.

Bureau of Land Management

The Congress of the United States has given the Bureau of Land Management a tremendous responsibility -- that of effectively managing approximately 1/8 of the land of the United States. This is virtually 60% of the land under federal jurisdiction.

BLM manages nearly 1/3 more land than does the U.S. Forest Service with a wildlife budget that is less than 1/3 as large. These lands, administered by the BLM, are permanent and seasonal homes for over 3000 mammals, birds, reptiles, fish and amphibians. Many of these animals are considered a valuable recreational resource. For FY '88, the Administration proposes a deep cut of $2,310,000, over 12.5%, in the Wildlife Habitat Management Program. This policy may well serve to worsen habitat conditions for several populations and species, including those considered for listing as threatened or endangered.

The protection of the wildlife and their habitat makes good business sense for the Western states. The budget cuts therefore come at a particularly ironic time. As reported in the national press: "The tourism business has passed the traditional extraction industries--agriculture, mining, and timber--to become [Idaho's] most important source of private sector jobs. The same transformation can be seen throughout the West.... Regionwide, tourism is the fastest growing industry--in some places, the only growing industry." 1.

In these western states, hunting and fishing are important sources of income. Expenditures by non-resident sportsmen are multimillion dollar incomes for states like Colorado, Montana and Wyoming. Numerous communities in the west depend upon the income from hunters, anglers and other visitors attracted by the BLM wildlife for both consumptive and non-consumptive uses.

In addition to the states' decline in income, the enjoyment of fishermen and hunters will be severely affected. Hunters alone, used the public lands for over 6 million days of hunting in 1984-85 season. Together with fishermen, this '84-'85 season netted over $175,000,000 for these sportsmen. Insurance that fish and wildlife resources on public lands will continue depends on stronger moneatary allocations to the BLM wildlife program.

The Bureau of Land Management has a legal obligation to conserve wildlife. Congress has expressed its respect and concern for the nation's natural resources by passing the Federal Land Policy and Management Act, which mandates that the BLM will give priority to protecting fish and wildlife and their habitat (43 U.S.C. 1701 (a) (8)), as well as designating and protecting Areas of Critical Environmental Concern (43 U.S.C. 1701 (a) (11))

1. T.R. Reid, "From Spuds to Scenery: West Shifts Economic Focus", Washington Post, February 12, 1987

to insure the future success of our natural abundance and diversity.

While no changes have been proposed to lessen funding for the Threatened and Endangered species program in FY '88, the sharp decline in funds for wildlife habitat will seriously jeopardize the T&E program, particularly throught the proposed reduction in personnel.

Currently 127 species of wildlife and plants found on BLM lands are listed as endangered or threatened under the Endangered Species Act. An additional 16 species have been proposed for listing and should be protected by the beginning of FY '88. Yet despite the large numbers, the BLM staff has designed recovery programs for less than half of the needy species. Almost 870 (620 plants and 250 animals) species are so rare that they are believed to qualify for listing under the Act, but the process of listing has not yet begun.

With these distrubing facts, the NRDC strongly encourages an increase in funds allocated to Wildlife Habitat Management:

	FY '87 (current)	FY '88 (proposed)	NRDC Recommendation
Wildlife Habitat (total)	$16,111,000	$13,801,000	$20,000,000
T&E Species	$3,932,000	$3,932,000	$5,073,000
Candidates	$ 0	$ 0	$225,000*

*a return to FY'86 levels

The Endangered Species Act of 1973 was passed by Congress, for the people. Section 7 of this legislation clearly directs the BLM to conserve endangered and threatened species. The BLM discusses this legal obligation in their "plan for the future":

> "The BLM has been assigned two major responsibilities [concerning Threatened and Endangered species]. One is to seek means to ensure recovery of listed species on BLM lands. The other is to ensure that any Federal action authorized, funded or carried out is not likely to jeopardize the continued existance of T&E species or result in destruction or adverse modification of critical habitat.
>
> The BLM also works to protect and recover those species that have been designated as T&E by the FWS as well as those species that are declining in abundace but may not have been formally designated."
>
> Fish and Wildlife 2000:
> A Plan for the Future
> Bureau of Land Management
> December 20, 1986--Draft pp.3 & 16

The dedicated staff of the eleven BLM state offices have identified 124 high priority projects for endangered, threatened, and candidate species that cannot be carried out under funds provided by the congressional appropriation for FY '87. This important work will have to be postponed due to the lack of funding. Postponement is not a trivial matter when dealing with threatened and endangered species, considering the tremendous delicacy of their plight. The total expenses of these 124 additional projects equals $1,141,000; approximately $651,000

would be required for animal related projects and $490,000 for plant related projects.

The proposed reduction in personnel is also crippling. BLM already lacks the adequate biological expertise to perform such extensive, complex, and delicate habitat and wildlife management. Despite the fact that there are 45 T&E plants and 620 plant candidates, there are only seven botanists---7 botanists responsible for approximately 300,000,000 acres of land. Last year's botany staff numbered nine FTEs and proved both poorly distributed and woefully inadequate: of the seven, five were in Oregon, with the other two in California and Idaho. The NRDC recommends the hiring of at least 5 botanists to be located in Arizona, Colorado, New Mexico, Nevada and Utah where several needy plant species reside.

Of the 14 full-time and part-time fishery biologists that work for the BLM outside of Oregon, only 4 have experience with desert fish. None of the four is in either Arizona or Nevada where at least 24 species of desert fish have or will soon be listed. In Oregon, where outside funding allows for a more complete staff--one that represents actual need rather than funding-- there are 14 fishery biologists.

The proposed FY'88 additional cuts from 320 FTEs to 300 FTEs will all but bring the botany and fishery recovery research and implementation programs to a grinding halt.

Examples of programs that were considered high priority by state BLM offices but were stymied by a lack of funds include:

-- $33,000. **California.** Introduction through cross-fostering and hacking of peregrine falcons and elf owls. All 5 projects are continuations of efforts initiated in FY '85 and '86. All are multiyear efforts and each year is critical to the overall success of the program.

-- $76,000. **California.** Continuation of Desert Tortoise trend plots (plots schedualed for FY '87 plus plots forgone in 1985 & 86). Also includes interpretive signs for DTNA & interagency coordinating committee involvment.

-- $15,000. **Colorado.** Funding to acquire the special skills of a professional botanist to develop information on T&E plants and candidate species within the state on public lands; prescribe protection and managemnt opportunities; provide assistance to districts on identification of special plant communities.

-- $1,000. **Idaho.** Flight time for monitoring habitat of the Bald Eagle and Grey Wolf.

-- $2,200. **Idaho.** ACEC plan and protection of Astraglus oniciformis.

--$74,000. **California.** Monitoring sensitive plants and implementation of completed rare plant management plans of Ash Valley Plan Ammendment. Implementation projects include several fence projects, interpretive signing and dump site clean-up. Also includes funding for vacant botanist position.

-- $37,000. **Nevada.** Expansion of inventory and monitoring of desert tortoise habitat beyond the 200,000 acres accomplished under proposed cost target.

-- $12,000. **New Mexico.** Development of a habitat management plan for Pediocactus knowltonii, Sclerocactus mesae-verde, Astragalus humillus, within the Farmington Resource Area.

-- $13,000. California. Acquisition Plan development, lands casework, etc., to support Carrizo Plain Macropreserve, as directed by Congress.

The BLM has been given the tremendous legal obligation of stewardship for our Nation's most valued resources and wildlife. The magnitude of this obligation can only be matched by the moral obligation to protect, conserve and ensure the continued biological abundance and diversity in our public lands for future generations. Our nation's wildlife is prized for its economic, recreational, ecological, scientific, social, historical, cultural, educational and esthetic values.

Extinction often results from poor wildlife management. Several species are fast approaching a veritable point of no return and others are already there. Their fate is sealed...but not necessarily so for the 127 other species living on BLM public lands.

Extinction is real; extinction is forever.

Biological Diversity

Hawaii

U.S. Fish and Wildlife Service

February 4, 1987

Using funds appropriated in FYs 85 and 86, the U.S. Fish and Wildlife Service has acquired about 40% of the Hakala Forest National Wildlife Refuge. The Refuge, on the slopes of Mauna Kea, protects the habitat of 5 endangered bird species. Some additional acquisition funds were included in the FY 87 appropriation, but the Administration has asked that they be rescinded. These funds should be retained, and sufficient additional funds appropriated in FY 1988 to complete acquisition of the 33,000 acres originally proposed.

Funds to manage the refuge are urgently needed to ensure that the habitat remains suitable for the intended bird species. Congress has been generous with add-ons in previous years ($150,000 in FY 86; $75,000 in FY 87 -- proposed for recision), but these have been restricted to particular projects. The projects are important for purposes of understanding the birds' ecology and controlling feral pigs and invasive plants. However, the Refuge still has no funds for staff, and since it is 2 1/2 hours from the nearest airport, no one is on site regularly to monitor and prevent human and domestic animal encroachments, poaching, etc. An annual appropriation of $300,000 is needed to equip a headquarters and provide a minimal staff of 4.

Conserving Biological Diversity

in the

National Park System

February 4, 1987

The National Park System has about 330 units totalling 79 million acres; the parks and preserves in Alaska cover 54 million acres. While most of these units were established on the basis of scenic rather than biological criteria, some provide vitally important habitat to many wildlife and plant species, including a large but unknown number of species listed as endangered or

threatened under the Endangered Species Act. Recent studies indicate the need for active conservation programs to ensure survival of wildlife in the parks. This need is particularly acute in those parks that serve as important refuges for species and communities already stressed or eliminated elsewhere. Among the NPS units particularly important in this respect are Hawaii Volcanoes N.P., Haleakala N.P., and Virgin Islands N.P.

The Hawaiian Parks

The National Parks in Hawaii must be the highest priority in any NPS program to conserve biological diversity.

Ninety-five percent of all native Hawaiian terrestrial species and subspecies are endemic -- the highest level of endemism for any area in the world. Evolutionary biologists consider Hawaii to be at least as important to understanding evolution as Darwin's fabled Galapagos Islands. Island organisms often are particularly vulnerable to extinctions caused by activities of humans or the animals and plants they bring with them. It is not surprising that about half of all Hawaiian species of birds and plants are already extinct or endangered, and the same is probably true for the Islands' terrestrial and freshwater invertebrates. Both of Hawaii's native land mammals -- a seal and a bat -- are also endangered. The native reptiles -- sea turtles -- are also threatened. Hawaii has no native amphibians.

Development pressures are severe, and state agencies so far lack active interest. Therefore, opportunities to save what is left of Hawaii's biological diversity exist largely in the two "natural" national parks. Unfortunately, destruction of these parks' ecosystems is so far along that active management must replace reliance on natural processes if we are to prevent widespread destruction of the parks' biological wealth. An effective management program will require substantial increases in funds.

Haleakala National Park, in particular its Kipahulu District, must be considered the highest priority area in the entire National Park system. The area was added to Haleakala N.P. in 1969 because of its biological resources and relatively pristine condition. However, invasion since then by feral pigs and goats now threatens destruction of the area. These resources, the threatened destruction, and needed conservation programs are described in greater detail in Annex 1.

Fencing of both the Kipahulu and more heavily visited Crater districts to prevent new incursions by pigs and goats should be completed during this fiscal year. The need now is to maintain those fences and to remove the goats and pigs already inside the Park. Current Park Base funding for resource management -- $185,300 -- is inadequate to perform these tasks. In order adequately to maintain fences, control feral pigs and control alien plants in the Kipahulu district, annual Base funding needs to be increased by $269,000. In order to maintain fences, control feral goats and pigs, and control alien plants in the Crater district, Base funding needs to be increased by $179,000. In order to control alien predators and fully protect Endangered birds in the Crater district, Base funding needs to be increased by $64,000. In total, PB funding should be increased by $512,000.

Hawaii Volcanoes National Park has advanced further in ungulate control. This success must be consolidated through adequate fence maintenance; $25,000 above currently proposed

levels is needed in Park Base funding each year for this work. Similarly, pig control projects require a total of $226,000 per year for the foreseeable future. (Capturing the last remaining pigs is extremely difficult and expensive, but absolutely crucial to protecting the Park.)

The major initiative now should focus on controlling exotic (alien) plants. The environmental effects of invasive exotics are described in Annex 2. One time funding of over $1 million is needed to suppress exotic plant encroachment in areas where the damage is not already irretrievable. Some funds will be needed in future Park Base to maintain those projects. In addition, several hundred thousand dollars should be appropriated in NRP to construct a "secure" laboratory in which to conduct research on microbes and other biological controls for troublesome, widespread exotic plants.

Virgin Islands National Park

The Virgin Islands suffer from many of the same threats as Hawaii. Much of our success in conserving the islands' native species will depend on aggressive management by Virgin Islands National Park (VINP). Unfortunately, present funding levels do not permit such a program. VINP needs at least $1,390,000 in NRP funds over the next 4 to 5 years to address critical resource problems.

First priority is completion of a study of VINP carrying capacity; this will cost $400,000 over 4 years. The study would determine the number of visitors, residents, vehicles, and boats which the park can support over a given time without suffering irreplaceable damage to its marine and terrestrial resources. Nearly all management decisions at the Park depend on answers to these questions.

Second, VINP should proceed with the proposed mongoose "eradication" program, budgeted at $180,000 over 4 years. The introduced mongoose has caused the extirpation of three endangered native reptiles, and the severe depletion of two other reptiles and two bird species. Live-trapping at the current level is not effective in reducing the threat to even one of these species, the endangered hawksbill turtle. VINP staff wish to explore using a pesticide; if this proves to be environmentally acceptable, this method should be used. Otherwise, the Park staff should utilize other, probably less effective methods.

Third, VINP should carry out research on endangered and threatened species known or thought to be in the Park in order to be able to choose the best management approaches. These studies will cost $210,000 over 3 years.

Fourth, the Park is in danger of losing several species of shell and fin fish due to overharvesting. Existing harvest restrictions are probably violated frequently. VINP should receive $550,000 over 5 years to develop and implement management plans for these species.

Virgin Islands N.P. is an active participant in the international Man and Biosphere (MAB) Program. The Park has benefitted from this relationship through obtaining the results of interdisciplinary research. For example, the studies documenting the decline of shell and fin fish species were carried out by the MAB-affiliated Virgin Islands Resource Management Cooperative. The Park should now expand its involvement to carry out education of local fishermen, charter

boat operators, and other "neighbors". This education program is vital to long-term protection of the Park's resources, particularly its coral reefs. It can also serve as a model for other Caribbean islands' protected areas -- just the kind of sharing of expertise that MAB is intended to foster. The cost of providing needed audiovisual materials is $50,000 over 5 years.

LETTER FROM WILLIAM PENN MOTT, JR., DIRECTOR, NATIONAL PARK SERVICE, U.S. DEPARTMENT OF THE INTERIOR

FEB 3 1987

Ms. Faith Thompson Campbell, Ph.D.
Natural Resources Defense Council
1350 New York Avenue, N.W.
Washington, D.C. 20005

Dear Dr. Campbell:

Thank you very much for your letter of January 6, 1987 in which you summarize resources management and research needs for Haleakala and Hawaii Volcanoes National Parks. Your letter arrived in time for me to review prior to my visit to those two parks in mid-January.

Discussions I had with the Hawaii parks managers confirmed your observations concerning the magnitude and urgency of problems caused by introduced species. I laud your insight and keen interest. Much has been accomplished and there is still much to be done.

Thank you for your interest and support.

Sincerely,

William Penn Mott, Jr.
Director

Annex 1

Haleakala National Park

Endangered Biological Treasures

of the

Kipahulu District

The Kipahulu valley below 2,000 feet is already completely altered by the invasion of exotic plants. Heroic efforts will be required to halt on-going degradation of the valley and neighboring areas at elevations above 2,800 feet; any delay would lead to irreparable loss of native ecosystem components.

The area is extremely rich botanically. The native Koa (Acacia koa) and Ohi'a (Metrosideros collina) forests of the valley contain tree ferns (Cibotium spp.) and rare, sometimes spectacular endemic lobelioides (Cyanea spp., Clermontia spp., and Trematolobelia) and mints (Stenogyne spp. and Phyllostegia spp.) The upper portion of Kipahulu Valley is habitat for several federally listed endangered honeycreepers, some of them

thought to be extinct until rediscovered here. The rarest are the Maui Nukupu'u (Hemignathus lucidus affinis), the Maui parrotbill (Pseudonestor xanthophrys), and the endangered 'Akohekohe or crested honeycreeper (Palmeria dolei).

Feral pigs are rapidly converting central Kipahulu Valley from the near-pristine area it was as recently as the 1960's to a degraded condition with a progressively decreasing abundance of native species (which pigs prefer) and an increasing abundance of exotics. As of 1985, the worst damage has occurred below 2,600-2,800 ft. elevation. Considerable potential for ecosystem recovery exists if feral pigs are substantially reduced or eliminated.

The neighboring Kuiki/Manawainui Planeze is the least known and potentially richest area biologically in the park. Rare plants found there include Argyroxiphium virescens var. virescens, Lobelia gaudichaudii, and Keysseria lavendul. The endangered 'Akohekohe or crested honeycreeper occurs in the Metrosideros forest. Feral goats' and pigs' activities on the summit of Kuiki and the western margins of the Kuiki Planeze have locally resulted in loss of most native vegetation and severe soil loss (as much as six feet of soil and cinder subsoil have been lost in some locations).

The upper Hana rainforest and associated bogs support extremely important plant communities and endangered birds. The extremely interesting, rare and fragile bog flora includes the Haleakala greensword (Argyroxiphium graycinum), a violet endemic to Maui, an endemic geranium, and others. Windswept, treeless areas adjacent to these bogs also support an interesting flora including several very rare lobelioids. The rainforest and adjacent state land is the habitat of the po'ouli (Melamprosops phaeosoma), a highly localized endemic bird genus first discovered and described in 1973.

The Kipahulu District contains part of Kalapawili Ridge, the site of the only high elevation native grassland area in the Hawaiian Islands; it also is the site of the highest elevation bog in the state. Pig exclusion fences have been completed and the area is recovering.

In summary, with the notable exceptions of portions of the upper Hana Rainforest bogs, the Kalapawili Ridge grasslands, and the western margin of the Kuiki Planeze, the zone above 4,000-ft. elevation is still largely intact, with few exotic plant species and probably with little reduction in abundance of most natives. The 2,800-4,000 ft. zone of Kipahulu is even richer botanically, but has suffered more from invasion of exotics.

In view of these riches and the threats to them, protective management of the Kipahulu District is the highest priority project in the National Park system.

The most immediate management action needed is elimination of feral pigs through fencing and shooting, trapping, or poisoning. Haleakala N.P. staff have begun a six-year protection program to realize this goal. The first phase, construction of three barrier fences in the valley, should be completed by the end of FY 1987.

It is now essential to remove pigs in Zones 1 and 2; this program must reduce pigs by at least 70% per year in order to obtain a real reduction. Concurrent monitoring of pig densities is necessary to guide the removal effort. Haleakala staff should emphasize the most effective methods of pig control techniques and not allow pressure by hunting or humane groups to

influence the choice. Helicopter support will be needed. Four additional temporary shelters (upper Hana Rainforest bogs, Kaumakani Ridge, and two in the lower valley) will greatly facilitate control efforts. Other requirements include a support vehicle, pig traps, weapons, and materials for fence maintenance and shelter maintenance. Funding needs are a one-time appropriation of $132,000 in FY 88, primarily for personnel; and $57,000 in Park Base funding for fence maintenance.

Efforts should also begin to control strawberry guava and other selected exotics in the fenced management zones and upper Hana Rainforest management zone. The level of funding needed is $80,000.

In the more heavily visited Crater District of Haleakala N.P., the staff must maintain fences already built. This work requires $30,000 already in Park Base funding. Goat and pig removal must be accelerated at a cost of $70,000. Again, the Park staff should choose the most effective approach without consideration of its impact on sport hunting.

Annex 2

Hawaii Volcanoes National Park

Control of Invasive Exotic Plant

Of the approximately 475 exotic plant species occurring in Hawaii Volcanoes, over 40 species are capable of growing at disruptively high densities or of forming monotypic infestations. Even at lower densities, some non-native plants degrade native ecosystems by changing fire, nutrient cycling, and soil-water regimes. As plant composition shifts, native ecosystems are replaced by exotic ecosystems. Even maintaining existing native plant communities requires resources considerably beyond present staffing and funding levels.

Much of the coastal lowland vegetation is already predominantly exotic, and exotic biota are important in the lower Ohi'a woodlands. Upper rainforest, mosaic forest, scrublands, and grasslands are mostly native. Plant communities above 4,800 feet elevation are essentially intact. However, even the most intact plant communities are threatened with radical alteration, frequently by more than one introduced plant species capable of forming single species stands or vegetation layers.

Hawaii Volcanoes N.P. staff have developed a program that can be carried out with realistic funding levels. The Park is already preventing the spread of additional exotic species into Park ecosystems by controlling 38 species of highly localized exotics and new introductions through a vigilant monitoring program.

The Park should expand on-going efforts in Special Ecological Areas (SEA's) to control widespread exotic species that cannot be controlled Parkwide because of lack of resources. The staff are now removing exotics found in 5 SEAs. An additional $20,000 are required to meet this project's goals. In most of the remaining 12 SEAs, monitoring should be sufficient.

Research is needed on conventional or biological controls of troublesome widespread exotics -- the method chosen to depend on costs, feasibility, and impacts on non-target species. The species given highest priority for such research would be Myrica faya (Firetree), Passiflora mollissima (Banana poka), Rubus ellipticus (Yellow raspberry), R. glaucus (Raspberry), R.

penetrans (Blackberry), Andropogon glomeratus (Bush beardgrass), Andropogon virginicus (Broomsedge), Melinis minutiflora (Molasses grass), Pennisetum setaceum (Fountain grass), and Psidium cattleianum (Strawberry guava). To begin exploring the promising prospect of utilizing pathogens, NPS must fund a "secure" laboratory that would prevent escape of experimental microbes. Costs could be several hundred thousand dollars -- but successful use of these methods would eliminate many of the Hawaiian National parks' resource problems.

Other projects should be undertaken as soon as possible. These include research on native plant species' tolerance of fire and further research on the threats posed by exotic plants.

The Park staff should emphasize exotic plant control and habitat improvement rather than rare plant management and planting native plants. This is ecologically justified by the fact that habitat improvement almost invariably results in the reproduction of rare plants. In the coastal lowlands where native seed sources have been depleted, an experimental planting program may be undertaken if funding allows. Recovery plans for rare plants failing to reproduce will be developed as funding permits.

STATEMENT OF DR. LEONARD H. WEINSTEIN, PROGRAM DIRECTOR, ENVIRONMENTAL BIOLOGY, WILLIAM BOYCE THOMPSON DISTINGUISHED SCIENTIST, ADJUNCT PROFESSOR, DEPARTMENT OF NATURAL RESOURCES, CORNELL UNIVERSITY

I am Leonard H. Weinstein, William Boyce Thompson Distinguished Scientist, Program Director for Environmental Biology at Boyce Thompson Institute for Plant Research and Adjunct Professor of Natural Resources at Cornell University.

I have been involved in research on the effects of atmospheric pollutants on plants for 25 years. I presently direct a group of scientists who are conducting research on plants of ozone, sulfur oxides, nitrogen oxides, acidic rain, airborne particles, and fluorides.

My co-author is Robert J. Kohut, Plant Pathologist at the Boyce Thompson Institute for Plant Research at Cornell University. He has been involved in air pollution research for more than 12 years and has conducted research to assess the effects of ozone, PAN, sulfur dioxide, and hydrogen fluoride on trees and agricultural crops. He is the Principal Investigator for the National Crop Loss Assessment Network (NCLAN) research program at the Boyce Thompson Institute.

The purpose of this testimony is to comment on the impact of acid rain, ozone and other pollutants on the productivity of forests.

In recent years, certain forests of Europe, Canada, and the United States have shown dramatic signs of a decline of unknown origin. The popular press has generally pointed to "acid rain" as the inciting agent. We know now that forest decline probably results from the impact of more than one toxic substance, and there are innumerable theories[1] that relate this phenomenon to causes that range from acid rain (including fog, mist, and snow) to ozone, aluminum, heavy metals, and excess nitrogen fertilization (from NO_x in rain). The latest is hydrogen peroxide, and the list goes on. Analyses of tree rings suggest that the decline has been occurring for many years, during which airborne toxicants have also been increasing. Unravelling the

scientific causes of this phenomenon that has afflicted a number of species of conifers and hardwoods in the United States will take many years, and is the basis for this testimony by NASULGC and its request that increased funds for long-term research be included in the US Forest Service budget. A problem that developed over a period of many years normally cannot be solved in 2, 3, or even 5 years of research, especially when one is dealing with the incredible complexity of forest ecosystems.

Increased support for long-term basic and applied research will not only improve our understanding of biological problems associated with contamination of forests, but will also provide a reservoir of scientific information in many disciplines that can be used to assist Congress in its establishment of environmental legislation to control emissions that may be associated with national and international problems.

One project that can be used to illustrate the accomplishments of long-term research is the National Crop Loss Assessment Network (NCLAN) of the EPA. The NCLAN program was initiated in 1980 as a long-term study to evaluate the relationships between the yields of major agricultural crops and the air pollutants ozone, sulfur dioxide, nitrogen dioxide, and their mixtures. The results are being used to produce an economic assessment of air pollution induced crop loss and to support the review and development of the National Ambient Air Quality Standards. Despite the eventual focus on ozone and the elimination of most physiological ano pollutant interaction studies necessitated by reductions in funding, the program has been successful. This success has been achieved because the program adopted a long-term perspective toward its objectives and effectively coordinated and integrated the activities of scientists from many disciplines both at the EPA laboratory in Corvallis and at the participating research sites at North Carolina State University, Argonne National Laboratory, the University of California at Riverside, and the Boyce Thompson Institute

at Cornell University. The NCLAN program produced dose-response functions describing the impacts of ozone on the yield of major crop species, assessed the interaction of ozone and drought stress on crop yield, produced estimates of concentrations of ozone in agricultural areas where monitoring data was not available, and integrated these data into an estimate of the economic impact of ozone on agricultural production. These findings will be of value to the Congress and to the EPA in the reauthorization of the Clean Air Act and in the review and establishment of the National Ambient Air Quality Standards. Production losses from ambient ozone in corn, soybean, wheat, cotton, barley, and grain sorghum are estimated to be $2.1 (in 1980 dollars). If ozone is responsible for significant losses in the growth and quality of crops, it is reasonable to expect similar effects on forest tree species in the United States.

Recently a series of new research initiatives has been established under the joint direction of the US Forest Service and the EPA to address the issues of forest decline in the eastern United States. Forest decline is most notable in high elevation spruce and fir forests although declines of a number of other species, including sugar maple and several species of pines, have been reported. In areas where this problem exists, there is decreased growth and increased mortality of forest trees, and their natural cycle of regeneration has been disrupted. One of the reasons proposed for this decline is that the development of fossil fuels for energy, transportation, and industrial production has produced primary air pollutants which have led to the formation of acid rain. However, the relationship between acid rain and long-term decline of forests in areas of the U.S., Canada, and Europe is poorly understood and is highly controversial. Perhaps acid rain is one cause of the forest decline problem, but it is certainly not the only one, and the long-term effects of ozone and other airborne contaminants, drought, and other environmental stresses appear to be associated with the problem also. On the one hand, there is evidence

that acid rain in its present composition and degree of acidity may have no effects, or even beneficial effects, on certain forests. On the other hand, acid rain may be responsible for long-term detrimental effects on forests of not only eastern North America, but also Europe. In 1983 testimony to the Senate Subcommittee on HUD and Independent Agencies by NASULGC, we stated that "....we can presume that acid rain is a principal cause of the problem, but we should not ignore the long-term effects of ozone and the possibility of its combined effects with acid rain and other stresses". Today, four years later, we can be even more certain of the detrimental effects of ozone on forest health.

As presently constituted, contract awards from Forest Service/EPA initiatives to study the decline of forests appear to have a two-year life span. A problem that took perhaps one or more generations to evolve, considering the complexities of forest ecosystems, can in two years only begin to suggest the most profitable directions for a long-term research program. Even if these two-year awards are renewed as a series of one-year extensions, this places significant constraints on the investigator because of problems in long-range planning. Since these renewals are uncertain, all planning must be done in 1-year increments resulting in unnecessary disruptions in program continuity and inefficient use of funds. One analogy might be studying the first year of a foreign language for five years. Clearly the nature of the problem demands the adoption of a more long-term approach to research. The factors responsible for inducing the decline may be producing minor annual perturbations whose additive or multiplicative effects over several years become highly deleterious. Assessment of these effects requires the implementation of a research approach that acknowledges that time is a critical experimental factor. Unlike the NCLAN program whose work with annual crops allowed the production of definitive annual research products, the annual products of the forest decline studies will be more open-ended. Over time, these products will begin

to integrate results and draw conclusions about the responses of trees and ecosystems to the pollutant stresses being assessed. Adoption of a long-term approach to research can expedite this process.

Our ability to evaluate the effects of acid rain and gaseous air pollutants on forests certainly cannot be considered to be adequate without an understanding of basic and applied environmental processes ranging from atmospheric chemistry, to transport, deposition, and ecological effects. Increased support for long-term basic and applied research will not only improve our understanding of the problems posed by acid rain and ozone on forests, but will also provide a reservoir of information in many scientific disciplines that can be used to assist Congress in its enactment of effective environmental legislation and provide guidance in the management of forest resources. The existence of stable, long-range research programs at our university and research institutes will also provide the scientific foundations and expertise to prevent or solve future environmental problems of national and international significance.

INDIAN PROGRAMS

Statements of the Big Mountain (Joint Use Area) Legal Defense/ Offense Committee

REQUEST FOR A MORATORIUM ON APPROPRIATIONS FOR ALL RELOCATION-RELATED ACTIVITIES OF THE BIA

In the following report, the Big Mountain (Joint Use Area) Legal Defense/Offense Committee [BM(JUA)LDOC] urges the Appropriations Subcommittee on the Interior and Related Agencies to place a moratorium on all funding for all relocation-related activities of the BIA pursuant to PL 93-531 and its amendments.

I. UNLAWFUL AND INHUMANE ACTIVITIES BY THE BIA ON THE HOPI PARTITIONED LAND (HPL)

The BIA has been and is engaging in unlawful and inhumane activities on the HPL which include federally funded and/or assisted construction, fencing, water diversion, and livestock impoundment projects. These activities are adversely affecting or destroying important shrines, ruins, burial sites, and other places and objects of great historical, cultural, archeological and religious significance. In keeping with their religious instructions and beliefs, the Navajo people are compelled to prevent this desecration. (See attached Complaint: Mae W. Tso et. al, vs. Donald Hodel, Ross Swimmer et. al).

The above activities are being carried out in violation of federal law and are infringing upon the rights of the Navajo families who are lawfully residing on HPL. More importantly, these activities are completely inappropriate in light of the de facto extension of the deadline for relocation created by the unavailability of replacement land or housing for the Navajo families. In light of this de facto extension, these activities and the rush to establish a physical BIA/Hopi presence on the HPL are premature and appear designed to provoke a confrontation and to scuttle recent Congressional efforts at a just and humane resolution of the Navajo-Hopi issue.

While the BIA acknowledges these activities, it appears that no effort has been made to determine the applicability of or compliance with federal laws in this matter. A review indicates that these federal or federally assisted projects are being undertaken in violation of the express requirements and policy of the National Historic Preservation Act; Executive Order 11593; the Department of Interior's Guidelines for the Disposition of Archeological and Historical Human Remains; the Historic and Archeological Data Preservation Act of 1974; the Archeological Resources Protection Act of 1979; the American Indian Religious Freedom Act of 1978 and the Free Exercise Clause of the First Amendment to the U.S. Constitution. (Again, see attached Complaint).

II. THE BIA'S "NEW LANDS" PROJECT: RELOCATION OF HPL RESIDENTS TO THE "NEW LANDS" VIOLATES THEIR RIGHT TO RELIGIOUS FREEDOM AS NAVAJO RELIGION IS LAND AND LIFE

The aforesaid desecrations by the BIA of areas sacred to the Navajo residents on the HPL reflect the federal government's continuing misunderstanding of the nature of the traditional Native American attachment to sacred lands. (See the attached Arizona Republic article and the attached statements of the Sovereign Dineh Nation and the Sovereign Hotevilla (Hopi) Nation in reference to the unified traditional Hopi and Dineh (Navajo) opposition to BIA fencing actions). This complete incomprehension is also reflected in the BIA's development projects on the "New Lands" for potential relocatee families currently residing on the HPL. The BIA claims that relocatees will be able to replicate their traditional way of life on the "New Lands". However, the traditional Navajo attachment to sacred homelands makes relocation to any other place impossible and unthinkable. For traditional Navajos, land, religion, and identity are one. This fact has been attested to by all the anthropological and sociological experts who have studied the relationship between spirituality and land use of the Navajo families currently residing on the HPL. (See attached statements of John Wood, Thayer Scudder, Jennie Joe, and, in addition, the attached pamphlets "Navajo Religion: A Sacred Way of Life" and "In Defense of Sacred Lands").

CONTRARY TO THE BIA'S CLAIMS, VERY FEW FAMILIES WANT TO RELOCATE TO THE "NEW LANDS"

Despite the pressure applied by the BIA counselors and the free lodgings and other incentives provided on the "New Lands" tours, very few of the families currently residing on the HPL have expressed an interest in moving to the "New Lands". The deadline for signing up for the first round of relocations to the "New Lands" was November 17, 1986. Only 9 families now residing on the HPL, and 5 others, have signed up for this first round. Only 5 of these HPL residents are eligible to hold grazing permits on the "New Lands".

The BIA has recently commenced its second round of efforts to convince HPL residents to sign up for relocation to the "New Lands". The first bus tour for this second round indicate that this new round may be even less successful than the first. On March 10, 1987, only one person showed up to participate in the Hard Rock tribal

chapter tour of the "New Lands". Hard Rock is the chapter with the heaviest population of HPL residents.

In an article printed in the Navajo Times on February 3, 1987, Kathy Helmer, Director of the "New Lands" Social Services Program, stated that there are 270 Navajo families now living on the HPL and that half of these families wish to move to the "New Lands". A few months before, Assistant Secretary of the Interior for Indian Affairs Ross Swimmer had maintained that there were exactly 239 families on the HPL and that 40 families were anxious to relocate to the "New Lands". At about the same time, a solicitor at the BIA Phoenix Area Office had estimated that there were between 280 and 350 families on the HPL. (On the inaccuracy of, and discrepancy between, the BIA and NHIRC figures for the number of HPL residents, see the attached report of the demographer of the Navajo Tribe).

Given the lack of precision in determining the number of families living on the HPL today, one wonders how Kathy Helmer can be certain that half of these families wish to move to the "New Lands". One wonders why only 9 of these families have signed up for the first round of relocations. In addition, it is puzzling that Ms. Helmer's Memorandum of September 11, 1986, entitled "Fieldwork on the HPL regarding the New Lands", states in subsection 3 of the "Impressions" section that out of 80 Navajo individuals who filled out forms for the BIA "very few have planned to relocate to the New Lands". Subsection 4 of the Memorandum reports that only 11 out of 80 individuals "reacted positively to the discussion concerning the New Lands and were evidently looking forward to the opportunity to tour the area." In early February, the BM(JUA)LDOC staff contacted Ms. Helmer to request an updated report on the BIA's fieldwork regarding the "New Lands". Ms. Helmer said that more data had been collected, but no update had been written because the most recent responses were very similar to those described in the September Memorandum.

BIA REPORTEDLY COERCES AND DECEIVES NAVAJO FAMILIES RESIDING ON HPL IN AN EFFORT TO PROMOTE "VOLUNTARY" RELOCATION TO THE "NEW LANDS"

Presently, BIA counselors in the "New Lands" Social Services Program are attempting to persuade Navajo families who reside on the HPL to relocate "voluntarily" to the "New Lands". The BIA, in coordination with the NHIRC, has also been conducting tours of the "New Lands" for potential relocatee families. Navajo persons report that the BIA counselors and tour guides make false promises to them, including but not limited to guaranteed jobs, free utilities, and an abundance of sheep for the rest of a relocatee's life if only the Navajo individual will sign up for relocation to the "New Lands". Potential relocatees also report that BIA personnel are misleadingly vague or even inaccurate in their accounts of the quantity and quality of water on the "New Lands" and particularly in regard to the contaminated Rio Puerco. (See attached statement of Billy Williams).

UNCERTAINTY OF BOTH WATER QUALITY AND QUANTITY ON THE "NEW LANDS"

The Rio Puerco, which runs through or close to almost all of the "New Lands", has been subject to 35 years of uranium mine dewatering. Moreover, in 1979 a colossal uranium mill accident released 94 million gallons of contaminated water into the Puerco. The Southwest Research and Information Center and the Arizona Department of Health Services have reported levels of radioactive and other toxic contaminants in excess of Arizona and federal drinking water standards. Even Ross Swimmer has said that he is concerned about a recent study by the University of New Mexico School of Medicine which has determined that livestock which drink from the river suffer from severe radioactive poisoning of muscle tissue, bones, and internal organs. Yet, although federal agencies state that they plan to avoid using Puerco-related ground water, no one--neither the NHIRC, the BIA, nor the IHS--has been able to guarantee sufficient quality or quantity of water for potential relocatees and their livestock.

The BIA itself is developing an interim water system for potential relocatees to the "New Lands" because it could not wait 18 months for the IHS to develop the first phase of its permanent domestic water system. Given the lack of interest in moving to the "New Lands" evidenced by HPL residents, one wonders why the BIA is in such a hurry. And, certainly in this case, haste makes waste. The BIA's pilot project this summer resulted in two unusable wells, a house built on the wrong site, and a road which ended ½ mile away from the house. The cost to U.S. taxpayers was $375,000. More recently, the BIA has been involved in a $300,000 waste of taxpayers' money. The BIA asked the NHIRC to fund a test well program in preparation for the drilling of the production wells for the BIA's interim system. After 10 test wells were drilled, the program was terminated in October, 1986. The USGS recommended that the program be dropped as the quality and quantity of the data proved insufficient to properly design production wells at any of the proposed sites. For example, the test sample from the Middle Well site was rejected by the Gallup, N.M. BIA laboratory because it was taken in a potato salad container!

Of more serious concern is that the BIA's interim system drills into the Bidahochi formation ground water and that the BIA is unable to prove that the water of the Bidahochi is not related to the contaminated water of the Puerco alluvial aquifer. Nor can the BIA prove that the Bidahochi can provide a sufficient quantity of water over the few years needed to maintain the interim system. Nor can the IHS demonstrate that

it has located an adequate source, both in terms of quantity and quality, for the permanent domestic water system.

The reckless haste and insensitivity to potential health hazards shown by the BIA is also reflected in the agency's response to the current study of the Puerco River by the USGS. This study, commissioned by the NHIRC, will assess the contamination of ground water by radionuclides and trace elements in the Puerco alluvial aquifer on the "New Lands". River sediment and vegetation growing in the flood plain have also been sampled. This study is merely a six-month preliminary or reconnaissance study and costs about $60,000. If the results show levels of contamination (as have results from all prior reliable studies), then the USGS will advise that a more detailed study be undertaken. This further study would cost as much as 1.5 to 2 million dollars. The USGS anticipates completing the draft report of the reconnaissance study by April 1, 1987, at which time the results will be sent to the EPA for review. It will be the job of the EPA to specify the degree to which the USGS report indicates that there are health hazards for people living near the river. Rather than waiting for the USGS results and EPA medical assessment, the BIA has already begun construction of "New Lands" houses and roads and expects to complete its first phase of construction by May 15, 1987.

In light of the above, BM(JUA)LDOC demands that, at the least, no funds be appropriated for the relocation of families to the "New Lands" until such time as all problems and questions concerning water quality and quantity on the "New Lands" have been resolved by the USGS and the EPA. For all of the reasons stated in this report, we also urge that a moratorium be placed on all relocation-related activities of the BIA.

REQUEST FOR A MORATORIUM ON APPROPRIATIONS FOR NHIRC'S RELOCATIONS OF NAVAJO AND HOPI FAMILIES

Since 1982, the Big Mountain (Joint Use Area) Legal Defense/Offense Committee [BM(JUA)LDOC] has made 4 major requests regarding the Navajo-Hopi relocation problem. These requests are: 1) that there be no forced evictions; 2) that all those Navajo and Hopi families who have been certified as eligible for benefits and who wish to relocate be allowed to do so; 3) that all relocatees who wish to return to their homelands be allowed to do so; and 4) that the federal government assume financial responsibility for providing compensation to Native American families who have suffered injuries as a result of the relocation problem and for achieving a just alternative to the continued implementation of PL 93-531. We are pleased to note that in July, 1986 the Navajo-Hopi Indian Relocation Commission (NHIRC) presented two of these requests to the House Committee on Interior and Insular Affairs as part of the NHIRC's recommendation to Congress for the resolution of the Navajo-Hopi relocation tragedy. The NHIRC now acknowledges that there should be no forced evictions of Native Americans from their ancestral homelands and that all those families who have been certified as eligible for benefits and do wish to relocate should be allowed to do so. It is our understanding that the NHIRC will be making its recommendation to the Congress again this April. Given the NHIRC's own, if belated, recognition of the impossibility of completing the relocation program, we feel that it is most timely for BM(JUA)LDOC to reiterate its request for a moratorium on funding the NHIRC for the relocation of Navajo and Hopi families. Moreover, a moratorium is essential at this time in light of the NHIRC's failure to correct its inadequacies as described in the Surveys and Investigations Staff Report which was presented to the House Appropriations Committee in January, 1985 (Appropriations Report).

As the Appropriations Report noted, it was not until September 5, 1980, after 251 families had been relocated, that the NHIRC adopted a program of verifiable housing standards and inspection (p. 32). In 1982, the NHIRC authorized a Housing Repair Program (HRP) in order to upgrade the homes of these pre-September, 1980 relocatees to the decent, safe, and sanitary conditions mandated by PL 93-531. By early 1982, only 190 of the 251 families still retained their relocation housing. 139 of these families have been enrolled in the NHIRC's HRP since 1982. 42 of these families have been serviced by HRP at a total cost of $438,000 to date: 27 have had their homes repaired and 15 have received cash settlements. The remaining 97 families have been left since 1982 without either having had their houses repaired or having received cash settlements. So, only 30% of those families enrolled in HRP since the program began in early 1982 have had their problem of a lack of safe, decent, and sanitary housing resolved by the NHIRC.

As mandated by PL 93-531, the NHIRC was to devise and implement a "detailed plan" which was, in part, to "take into account the adverse social, economic, cultural, and other impacts of relocation on persons involved in such relocation and be developed to avoid or minimize, to the extent possible, such impacts" (25 U.S.C. 640d-12). As noted in the Appropriations Report, the NHIRC has failed to provide adequately the premove and postmove counseling services which the NHIRC's "Report and Plan" promised would minimize the negative impacts of relocation. For example, in December, 1985, almost one year after the submission of the Appropriations Report, the NHIRC was appropriated $250,000 for postmove services. As of the date of this request, the vast majority of this appropriation has been pending since December, 1985 in

the form of a proposed postmove counseling services contract with the Navajo Tribe. The NHIRC has also failed to provide any meaningful followup contact with relocatees. As the Appropriations Report stated, the NHIRC's "Report and Plan" had promised that such contact would not only provide the means for evaluating the success of relocations but would also provide the NHIRC with information vital to its planning process and management (p. 19). Partly because of the lack of meaningful followup contacts, the Appropriations Report had noted in 1985 that the NHIRC lacked an adequate general plan and managed by trial and error (pp. 32-37). Only recently, did the NHIRC institute a followup study consisting of a questionnaire which has been mailed out to relocatee families. To date, the NHIRC has received only a 12% return on this followup program. It is tragic that the NHIRC has failed to provide adequate post-move counseling and followup contacts for relocatees, since as the Appropriations Report had realized, "To the traditional Navajo family," relocation "is the end of a way of life" (p. 18).

As for the efficacy of and possibility of improving the NHIRC's premove counseling services, then Chairman Ralph Watkins had responded thusly to the criticisms of the Appropriations Report in 1985: "It is doubtful that any pre-move counseling will ever fully address the naivete of relocatees, the unethical practices of real estate agents nor the manipulations of the system by relocatees who intend to do so" (Letter to Chairman Sidney Yates of the Appropriations Subcommittee on the Interior, dated March 1, 1985). We regard this admission as a severe understatement, since the Big Mountain Legal Office (BMLO) and other legal service organizations continue to assist many families who are losing their relocation housing and/or are in dire financial difficulties as a result of the NHIRC's failure to fulfill its obligations to relocatee families.

The continued failures of the NHIRC to provide safe, decent, and sanitary housing and comprehensive counseling services to relocatee families constitute gross breaches of the responsibilities which the NHIRC owes to relocatees. The suit of Joe and Esther Begay and Louise Jane Begay (Docket Nos. 268-85L and 335-85L in U.S. Claims Court) which has been filed by BMLO charges that the federal government has breached its contractual, statutory, and fiduciary duties to relocatee families whose tragic situation is typical of the 251 families who had relocated before the NHIRC had adopted a housing standards and inspection program. The Phoenix Urban Indian Law Project is also suing the federal government in a class action suit for <u>all</u> relocatee families, charging that the government has breached its statutory and fiduciary responsibilities by its continuing failure to provide a meaningful counseling program (Docket No. 805-86L in U.S. Claims Court). BMLO and other lawyers from across the country are also preparing to file a lawsuit which charges that involuntary relocation violates the freedom of religion guaranteed by the First Amendment to the U.S. Constitution and the American Indian Religious Freedom Act. The federal government is particularly culpable for the intense suffering caused by the relocation program because the failures of the Navajo-Hopi relocations had been fully predicted and have since been documented by all the knowledgable experts who have studied the problem. (See, for example, the attached statements of Thayer Scudder, John Wood, and Jennie Joe).

Dr. Thayer Scudder, like other internationally-acclaimed experts on the relocation of land-based, indigenous populations, has maintained that the most important function of any relocation program is not the provision of social services or housing but the establishment of postmove economic viability for relocatee families. The NHIRC's "Report and Plan", and indeed PL 93-531 itself, are notably deficient in making any meaningful provisions for jobs and job training for relocatees. The NHIRC has attempted to compensate for its lack of a comprehensive plan for economic development through such ineffective and piecemeal measures as encouraging relocation housing contractors to hire relocatees as employees. Paul Tessler, Assistant Director of Operations, has told BM(JUA)LDOC staff that NHIRC's postmove counseling contract with the Community Counseling Center, Inc. of Holbrook, AZ includes the provision of job training services. However, nowhere does this contract stipulate the provision of such services. Clearly, without comprehensive provisions for economic development and without effective counseling services, continuing the relocation program is bound to produce a high rate of failure and a great deal of human misery.

In 1985 the Appropriations Report had noted that: ". . . hundreds of families have been waiting years to be determined eligible and/or to be relocated. The Commission's inability to accomodate these families was cited as evidence of poor planning" (p. 35). More than two years have passed since the Appropriations Report was submitted to Chairman Yates and yet the NHIRC has completed only about 40% of the relocations of Navajo and Hopi families it has certified as eligible to receive relocation benefits. Approximately 1200 of these families have moved off the HPL but have yet to receive the benefits the federal government owes them. About 450 families have been denied eligibility but are currently in the process of appealing their denials. Finally, an unknown number of families, totaling several thousand individuals, are still expressing their resistance to PL 93-531 by remaining on their ancestral homelands despite an unconscionable livestock reduction program, a ban on construction and home repairs, and a law which ultimately gives them no legal choice but to "voluntarily" accept government benefits or to be evicted forcibly without benefits. Again, this cruel and unworkable situation had been explained to Congress

as early as 1974. (See attached statements of Thayer Scudder). Even at this late date, it is not too late to end the relocation tragedy. Therefore, BM(JUA)LDOC requests the Appropriations Subcommittee on the Interior to halt funding for the relocation of Native American families in order to allow for meaningful discussion between the affected peoples and the development of a humane and just legislative alternative to PL 93-531.

Letter From Phillip Martin, Tribal Chief, Mississippi Band of Choctaw Indians

April 10, 1987

Senator Robert C. Byrd
SH 311 Hart Senate Office Building
Washington DC 20510

Dear Senator Byrd:

The purpose of this letter is to raise a most urgent concern and to seek Congressional relief in the matter of contract health services for the Mississippi Band of Choctaw Indians. I regret the necessity of bringing this matter to your attention; however, it appears that all conventional routes of appeal to the Indian Health Service have failed.

I am respectfully requesting your assistance through the following actions, justifications for which are set out in the remainder of this letter and in the attachments:

(1) urging Dr. Everett Rhoades, director of Indian Health Service, to fully cover the shortfall of some $132,000 in contract health care funds for fiscal year 1986 for Choctaw health care;

(2) including report language which would prohibit IHS from lowering the recurring base for contract health services below that of at least 1.3 million dollars at a minimum for fiscal year 1988; and

(3) providing some assistance to us in securing such levels of contract health care which would permit the provision of at least a few contract medical procedures which fall in the Priority II category and which we have not been able to provide for the past four years, e.g. cataract surgery, hernia repair, cleft palate repair, insertion of ear tubes for children, and similiar procedures which would enable tribal members to hold a job or participate more fully in school.

My letter to you, at this time, is a final effort to solve what has essentially been a year-long, trying experience. As a means of describing the problem, I am providing an overview in this letter of the circumstances. (I regret the length but I can assure you that this is the greatest brevity which I can achieve and still outline our problems. Even this letter and its attachments omit numerous complications which have undermined health care and wasted time.) The details follow:

Contract health services (CHS) purchases medical care services which are not available from the tribal hospital and clinics. Since no surgical and obstetrical/gynecological services are available, as per IHS decision, at the Choctaw Health Center, CHS most typically is used to pay for surgery, critical care, and childbirth and related services. It also pays for specialist services when staff physicians determine such a need.

For the past four years, CHS services have been limited on the Choctaw Reservation to just those services defined by IHS as Priority I -- categories of care considered to be 'urgent and lifethreathening.' Even with this limitation, CHS costs have been substantial here. CHS costs for the past four fiscal years are shown below.

FY 1983	$1,376,384
FY 1984	$ 994,749
FY 1985	$1,326,010
FY 1986	$1,400,894

The problem now facing the tribe is that IHS reduced the CHS recurring base for FY 1987 by some $500,000, dropping the CHS funding level from $1,400,894 in FY 1986 to $878,000 for the recurring base for FY 1987. (The recurring base is the amount usually allocated on the basis of historic patterns of need.) By March 14, 1987, the tribe had a cumulative CHS obligation of $956,692, already over the $878,000 allocated. IHS has provided an additional $200,000, bringing the tribe to a total of $1,078,000 to date. Despite these additions, we are projecting an additional need of $130,800 through June, the end of the current contract period. (This shortfall assumes that there will be no major automobile accidents, no new cases of cancer or heart attack, and no complications with delivery.)

The tribe has protested this action vigorously and the Nashville area office has, similiarly, supported the tribe's position that the recurring base provided here is unreasonable for this population. Yet, Dr. Everett Rhoades, director of Indian Health Service, has remained adamant in his refusal to both (1) provide additional funds to meet new CHS costs and (2) raise the recurring base to its former level for FY 1988.

IHS' explanation for this unprecedented action is that, according to the new IHS formula for allocating resources (RAM -- resources allocation methodology), Choctaw should not have expenditures beyond $878,000 per year. When the application of the RAM formula resulted in this major reduction, IHS suggested that perhaps cases sent off the reservation were inappropriate referrals which could have been handled by on-reservation physicians. At that point, both the tribe and the area IHS office requested a case-by-case study to answer that question.

Subsequently, a team from Nashville area office conducted an intensive review of nearly 300 patient folders at Choctaw. The report concluded that, in each instance, the referral could be justified. (See attachment A for an overview of the kind of cases served by CHS.) The report was submitted to Dr. Craig Vanderwagon, Acting Director of Clinical and Preventive Services, IHS headquarters. Dr. Vanderwagon reviewed the report and recommended that the IHS director consider the possibility of increased CHS funds for Choctaw. This was supported by the Nashville area office.

Dr. Rhoades disregarded the tribal history of health care needs, the findings and recommendations of IHS staff, and the fact that CHS services at Choctaw have been limited to life-threathening and childbirth cases for four years and notified the Nashville area IHS director that he would not raise the RAM ceiling to either provide additional funds or to raise the recurring base. (See his letter, Attachment B.) The Nashville area office, writing on March 31, to IHS central office, has taken strong issue with this finding and has questioned the quality of IHS' findings as well as IHS divergence from established policy in regard to Choctaw. (See letter from the Nashville Deputy Area Director, Attachment C.)

At this point, the continuation of contract health care for the remainder of the Fiscal Year 1987 period is in jeopardy and, based on IHS

projections for the recurring base for FY 1988 for CHS, we are being set up for another year of both uncertainly and limitations for only emergency contract care.

As a solution to our problem, IHS has suggested that the tribe pay for contract health care from either other line items in the budget or from the administrative costs paid to the tribe for managing the contract -- one which includes the operation of a 40 bed hospital, three field clinics, a mental health and alcohol center, and related health services.

The suggestion that the CHS shortfall should come from either source is absurd. Those funds are already budgeted and are well on their way to being spent for necessary services. The tribe is only funded for direct health services at 89 per cent of need, according to IHS calculation and it is ridiculous to expect us to voluntarily lower that already low level of service in order to satisfy IHS recalcitrance in the matter of satisfying its RAM formula for contract care.

(It should be noted here that our contract health care costs would have been even greater than they are had we not undertaken several specific cost-savings measures which include but are not limited to (1) paying for health insurance coverage of all Choctaw tribal members (nearly 1,000) who are employed by either the tribe or the tribal enterprises, thereby relieving contract health care of the cost of treating these individuals; (2) negotiating highly competitive fees with off-reservation health care providers for services; and (3) establishing a kidney dialysis service at the hospital for both tribal memebrs and local non-Indians in need of this services. In return, CHS does not have to pay for dialysis for tribal members.)

It is similiarly unreasonable to expect us to dip into the administrative budget. Although the tribe is entitled to a 30 per cent administrative cost rate, through a negotiated indirect cost rate with the Department of Health and Human Services, IHS has steadfastly refused to pay the tribe the full amount to which we are entitled. We have accepted, under duress, a 17 per cent administrative cost rate for the FY 1987 contract period. At this diminished level, IHS is not carrying its fair share of administrative costs for this contract. This attempt to force a further reduction as the price of paying for emergency medical services for Choctaw patients is a display of an IHS indifference to health care as well as one of hostility to the legitimate administrative costs incurred by Indian tribes when they elect to operate their own health care programs under P.L. 93-638 contracts.

In his insistence that Choctaw be held to the RAM formula, a formula developed, incidentally, on the basis of health care expenditures for the non-Indian population served by rural health clinics, Dr. Rhoades seems willing to sacrifice the provision of urgent and emergency health care for the Choctaws for the sake of holding to a formula. In the absence of contract health care funds for the Choctaw patient who does not have health insurance or Medicaid coverage, then the only alternative will be for the state of Mississippi, already an impoverished state, to provide care for them as indigents. Perhaps this has been the IHS intent all along -- that of reducing their budget at the expense of the states and at the expense of the tribes.

I know that there are major budget constraints and I realize that many matters of great importance are before you now. In that regard, I hope that you will be able to persuade IHS of the validity of our need and will be able, too, to adjust the IHS budget so that we can fully meet our urgent medical care needs and also begin the treat the backlog of the most pressing Priority II needs. If I can provide any additional information,

please contact me. Thank you for your interest in Indian health care issues.

Sincerely,

Phillip Martin
Tribal Chief

Attachments

A. Overview of FY 1987 Choctaw CHS services

B. Memorandum from Dr. Everett Rhoades

C. Memorandum from Deputy Area Director

D. Priority II CHS services waiting list

ATTACHMENT A

1987 Contract Health Services for the Mississippi Band of Choctaw Indians

The following summarizes the services:

1. The most common referrals for CHS care have been for fractures, appendectomies, traumas from motor vehicle accidents, delivery of OB patients, diabetes mellitus with gangrenous ulceration resulting in amputation, carcinoma, and neoplasms.

2. The great majority of CHS cases can not be considered common referrals and do not fall into categories of illnesses which can be eliminated by prevention alone. Examples of such cases this year include (a) bone marrow transplant for a child — $80,038; (b) treatment for hemorrhagic cystitis -- $8,919; (c) nasopharyngeal tumor -- $8,142; (d) adenocarcinoma — $18,170; (e) liver disease — $9,034; (f) septic shock -- $8,212; (g) congestive heart failure and severe metabolic acidosis in a new born — $25,051.

3. Traumas from motor vehicle accidents are often the most expensive for Choctaw CHS, especially since most are not eligible for IHS' catastrophic assistance, a revolving fund which goes into effect when the case cost per person exceeds $20,000. As an example, five members of a family may be in an automobile accident, with costs for each ranging from 10 — 12,000 dollars, with a total of $50 — 60,000 for the accident. Yet, because no one case exceeded $20,000, the entire amount must be borne by Choctaw CHS.

4. Another major cost for Choctaw CHS is for the delivery of OB patients, a cost which averages $2,793. There were 132 births in FY 1986 and, in the five month period, from October 1, 1986 to March 1, 1987, there have already been 82 births. It is quite likely that the OB and related costs for FY 1987 will exceed those for FY 1986.

5. Diabetes, especially among older patients, is common and often causes gangrenous ulcerations, resulting in amputations.

Health factors which contribute to the above profile of need for CHS services are the following:

1. The tribal population is a young one, relative to the standard of the total United States population: 20 per cent is under six, about twice the percentage of the U.S. population and nearly 40 per cent is under 14. This youthful population places special burdens on the health care system, especially in the areas of upper respiratory and ENT (ear, nose, and throat) care.

2. The birth rate is increasing, also a function of the younger population, and the number of OB/gyn cases which require CHS are expected to increase rather than diminish.

3. There is a significant population of older adults who are diabetics. Most are in their late 40's, 50's and 60's and are at a point when diabetic complications begin to require specialized medical treatment.

4. For the first time, the life expectancy of the Choctaws has increased to the point that tribal members are living long enough to become ill from such catastrophic illnesses as heart disease, cancer, stroke, and similiar ailments which are more generally associated with an aging population.

ATTACHMENT B

Memorandum

FEB 27 1981

Director
Indian Health Service

Inpatient Utilization, Mississippi Band of Choctaw Indians

Director
Nashville Area Office

You have requested additional funds to supplement the Public Law (P.L.) 93-638 contract with the Mississippi Band of Choctaw Indians (MBCI). The deficit at issue references the apparent long standing pattern of high usage rates of inpatient services - both contract and direct - in this Service Unit. The Resource Allocation Methodology (RAM) places a ceiling on the number of justifiable inpatient days for a service population at 1,000 days per 1,000 population.

This ceiling was established after lengthy consideration and deliberation. The ceiling is considered generous, and it is my expectation that the ceiling will gradually be lowered in the future.

It is germane to note that the current national experience of the Indian Health Service (IHS) is about 750 inpatient days per thousand. Community based HMOs are reported to experience a utilization rate of about 430 days per thousand population. The Medicare eligible population often utilizes inpatient services at a rate greater than 1,000 inpatient days per 1,000. On an IHS wide basis, it is unusual for a Service Unit to exceed the 1,000 day ceiling.

In imposing the ceiling, provision was made for substantiating such a unique morbidity experience in a population that a waiver could be approved by me.

It is not sufficient justification for granting exemption from the ceiling to note that individual episodes of inpatient care are allowable under utilization review. Patterns of medical care are changing in this country and throughout the IHS as well. These changes are stimulated both by the need to contain costs and the realization that services in the ambulatory care setting are often more appropriate.

I understand that Diabetes mellitus is a major health problem for Mississippi Choctaw Indians as it is for many other Indian groups. It has been stated that diabetes is our tuberculosis of the eighties. However, you have not made a case that the amount of morbidity present at MBCI is so unique that a waiver of the RAM inpatient utilization rate ceiling is supportable. I am more persuaded that the high utilization rates reflect a non-contemporary pattern of practice in dealing with medical problems. This conclusion in no way is intended to imply criticism of the quality of care being provided; to the contrary, the evidence of which I am aware supports the conclusion that the care provided is of high quality.

In the coming years, I would expect the pattern of practice under this P.L. 93-638 contract to be closer to that experienced elsewhere in the IHS. The populations you deal with in the Nashville Area are all relatively small. If by chance one group experiences extraordinary morbidity, you do have a total population base large enough that other groups should be experiencing below average morbidity at the same time.

You have my commitment to allocate resources to the Nashville Area under the RAM process in as equitable a fashion as we can. Deviations from this process such as the request for additional funds by the MBCI subvert the integrity of the allocation process and will be looked upon unfavorably in the future. You should provide technical support to the MBCI to help them insure that their patterns of practice are consonant with the current philosophy of dealing with medical problems on an outpatient basis when this is appropriate and that inpatient utilization be minimized consistent with high quality care.

Everett R. Rhoades, M.D.
Assistant Surgeon General

ATTACHMENT C

March 31, 1987

Director
Health Systems Management Branch

Inpatient Utilization, Mississippi Band of Choctaw Indians (MBCI)
Re: February 27, 1987, Memo from Dr. Everett Rhoades

Deputy Area Director and Chief Medical Officer

As Project Officer for the MBCI and a participant in the review of their Inpatient Utilization for FY 1985, I am obliged to share with you my

thoughts on the response to the memo of February 28, 1987, from the Director of the IHS, which may be used, if you wish, in any rebuttal.

The third paragraph of the attached memo states the utilization rate for the pilot was 1000 IPD/1000 population, which was higher than the national average. Yet, this year the RRM ceiling is 1250/1000, which is the same as the actual MBCI utilization. This change in the RRM ceiling appears to negate their argument.

Secondly, the memo declares that there is not sufficient justification for granting exemption from the ceiling, as we have not made a case that the amount of morbidity present at MBCI is so unique that a waiver of the RAM rate is supportable. I assume this judgement based on input from IHS HQ's staff who made a cursory review of a few charts on a one day visit made during the early part of the negotiation process. I cannot see how that input can offset the findings of a three day review made of ALL admissions during the 12 months preceding the negotiations. It is incredulous to think that a judgement would be made based on information obtained from, at best, a quasi-scientific method when our findings were based on a review of the universe.

There is a suggestion that the rates are attributable to a non-contemporary pattern of practice in dealing with, for the most part, Diabetis. Even if this were true, if the practice patterns and behavior of the community were to change tomorrow, it would take at least two years to see a change in the severity of morbidity associated with Diabetis at Choctaw. Therefore, prudent management would require that resources be provided to deal with the change in practice to "bridge" the time period required for change in outcome.

Finally, Mr. Ward Hurlbert's comments recently, regarding per capita income, differs from IHS policy set forth in the Resource Allocation Methodology and is written as follows:

> "We emphasize that comparability under this plan does not mean a per capita distribution of IHS resources. Rather, comparability is measured on the basis of relative overall resource deficiency, which is a function of (1) relative need of the tribal service population based on health status and (2) the alternate resources available to each tribal service population. The goal is not that each tribal population be allocated approximately the same amount of IHS resources. Rather, the goal is that IHS resources be allocated in such a way that in combination with other resources available, the tribe achieves comparability in terms of overall resource deficiency. For example, if tribe A has greater alternate resources available than tribe B, the IHS will need to allocate fewer resources to tribe A than to tribe B in order to bring both tribes up to a comparable level. (Emphasis added)"

Respectfully submitted -

William A. Millar, II

Unmet Priority II Surgery for Mississippi Choctaw

The limitation to a Priority I CHS service category is one solely based on availability of funds. As a result of this restriction, there are a number of people on the reservation, both adults and children, who need

but are unable to have surgery or specialty consultations which have not been designated as life-threathening. Often, the Priority II operations would correct health conditions which prevent adults from being employed or which inhibit a child's participation in school.

The current waiting list for surgery here includes the following:

1. cataract surgery — 3
2. gall bladder surgery — 2
3. hysterectomy — 3
4. hernia repair -- 2
5. tonsillectomy — 1
6. septoplasty (cleft palate repair) — 3
7. anterior synechia (eye surgery) — 1
8. insertion of PE tubes (ear tubes for children) — 6
9. infertility correction — 1

Statement of Suzan Shown Harjo, Executive Director, National Congress of American Indians

On behalf of the National Congress of American Indians, I would like to bring to your attention a matter regarding an initiative by the Bureau of Indian Affairs (BIA) on an Indian housing matter which should be addressed in the FY1987 Supplemental Appropriations bill.

The initiative to which we refer is the proposal by the BIA to restrict eligibilty for two categories of the Housing Improvement Program (HIP) to only those applicants who are elderly and/or handicapped. The categories which are proposed to receive this severe restriction are: 1) the program for assistance to repair and renovate and/or enlarge existing structurally sound but deteriorated dwelling which can be economically placed in standard conditions; and 2) the program for construction of new housing for Indian families or individuals who are not eligible to participate in other federally-assisted housing programs.

A March 19 memorandum from the BIA central office to BIA area directors and other field staff required that the BIA field staff solicit tribal input on this proposal, and have a report back to the central office by April 3. Given the time required for the mails, there was effectively one week for tribes to be contacted for their input. This was not enough time for tribal councils, housing authorities and other interested persons to meet and react to the proposal. The BIA's goal is to have a proposal in the Federal Register by June 1, followed by a 60-day comment period. Under this scenario, the new eligibility critera would not be completed in FY1987, although the regulations would be implemented until October 1.

The House Appropriations Committee-approved version of the FY1987 Supplemental Appropriations prohibits the implementation of a number of BIA-proposed initiatives prior to full consultation with tribes and with Congress. Specifically included in the House bill are the proposed transfer of Indian trust funds management to the Mellon Bank, a flat fee in lieu of negotiated indirect costs for contracts pursuant to P.L. 93-638, tuition at BIA post-secondary schools and transfer of BIA-funded schools to non-tribal entities. There is strong support for the language contained in the House Appropriations Committee-approved FY1987 Supplemental Appropriations bill with regard to these ill-advised BIA initiatives. The housing proposal had not come to public attention at the time of consideration of the House Supplemental Appropriations bill, or it, too, would likely have been specifically mentioned in the legislation.

We urge the Senate Interior Appropriations Subcommittee to prohibit actions to implement the BIA's initiative to restrict eligibilty for certain portions of the Housing Improvement Program to only those who are elderly and/or handicapped.

Thank you for your assistance on this matter. Enclosed is a copy of the BIA's March 19 memorandum.

Statement of William LaRoque, Executive Director, American Indian Health Care Association

Mr. Chairman, on behalf of the American Indian Health Care Association, nationally representing the urban Indian health programs, I appreciate this opportunity to submit in writing testimony concerning the Fiscal Year 1988 appropriation for the Urban Indian Health Program. This Administration, in the past, has requested no funding for urban Indian health programs. The Congress, in its wisdom, has recognized the need and importance of the Urban Indian Health Program and has maintained annual appropriations. We welcome the Administration's recognition of the need for, and importance of, health care services for urban Indians as exhibited by the President' Fiscal Year 1988 budget request of $8 million for the Urban Indian Health Program. While an improvement over past requests, this will still not adequately address the existing health care needs of American Indians in urban areas. As in the past, the 35 urban Indian health programs throughout the country are faced with the increasingly difficult task of maintaining adequate funding for our essential health service program. We are requesting $10.5 million for the Fiscal Year 1988 Urban Indian Health Program.

The funds that we are requesting today will provide an increase of 10.2% over the Fiscal Year 1987 appropriations. This increase is due to health care inflation which has been considerably higher than the general level of inflation. Additional funds are requested for continued technical assistance and capacity building for the Urban Indian Health Program, community assessments in unserved urban communities as provided in the proposed reauthorization, and to meet the additional need for increased services.

According to the 1980 census, well over 50% of the American Indian population resides in urban communities across the nation. A large percentage of that population was moved to urban areas as a result of the relocation program undertaken

by the Federal Government during the 1950's. This urban Indian population continues to maintain strong ties with their respective reservations and the majority continue to be tribal members.

The Administration's past position was that urban Indian health programs were unnecessary because there were alternative sources of medical care for the patients that we serve. We who administer these 35 programs know, beyond a doubt, that the alternative resources simply do not exist. During the effort to reauthorize the Indian Health Care Improvement Act, the American Indian Health Care Association has presented numerous statements from other health care providers stating that they simply do not have the resources nor the cultural understanding to provide services to our patient population. Statements from local medical associations, city and county public health associations, city and county public health departments, community health centers, and public and private hospitals reaffirm that urban Indian health programs are not in any way duplicating services which are already available and accessible to this urban Indian population. The issue here is not duplication of services, but rather replication of services to urban Indians that have not been available, affordable, nor accessible through existing health care delivery systems. We know of no community health care delivery system with excess capacity able to provide services to our patient population. Few health care systems could accept a patient population with little or no means of payment, cultural alienation, and the health and social problems we strive to resolve. It should be noted here that all of the urban Indian health programs have extensive linkages with other local health care providers for comprehensive services as may exist, and that a substantial effort is made by the urban programs to seek necessary funding from sources in addition to the Indian Health Service. Urban Indian health programs also make every effort to collect reimbursements from Medicare, Medicaid and from third party insurers.

According to data available from the Bureau of Labor Statistics, the Medical Care Consumer Price Index has increased at an average annual rate of 14% since the first Indian Health Service funding for an urban Indian health program in 1972. If the increase in the Medical Care Consumer Price Index had been reflected in the appropriation levels from Fiscal Year 1978, the initial appropriation for the Urban Indian Health Program under the Indian Health Care Improvement Act, the appropriation level for Fiscal Year 1988 would now be $15,334,326 for the Urban Indian Health Programs. The President's proposed budget is almost half of that level. As a result of this difference in appropriations, the urban Indian health programs will actually incur a net loss in annual purchasing power of $6.2 million.

Because of your support and through the support of members of Congress, the urban Indian health programs have continued to survive and improve service delivery to American Indians. Nationally from 1983 to 1986 the urban Indian health programs reduced administrative costs from over 23% to less than 17%. During the past year, four of the urban Indian health programs received Joint Commission on Accreditation of Hospitals ambulatory health care

accreditation. Other programs are preparing for accreditation this year. Last year, the average cost (nationally in the urban Indian health programs) was less than $90 per medical user. From 1983 to 1986, the urban Indian health programs increased medical services by 12% and dental service by 14%. The average cost per user has remained constant from 1983-1986 in spite of inflating medical care costs. Last year, the urban Indian health programs nationally exceeded the Indian Health Service evaluation productivity standards by 38% and have increased service revenue from 1983-1986 by over 61%. Yet even today, revenue from services only meets 16% of the total health care costs. The proportion of Indian patients to total patients far exceeds the proportion of Indian Health Service funds to total program costs nationally for the Urban Indian Health Program. It has been almost impossible for programs to expand during the last six years to meet the demand for services. 32 of the 35 urban Indian health programs provide direct health care delivery. During Fiscal Year 1986, the urban Indian health programs provided 184,997 outpatient medical visits; 60,373 outpatient dental visits; 112,071 community service outreach and referral direct encounters; and 127,750 visits for health education, nutrition, mental health, optometry, substance abuse prevention, and other professional allied health services. Programs can demonstrate the need and demand for increased levels and amounts of health care service.

Urban Indian health programs receive funding from sources in addition to the Indian Health Service. However, these resources are becoming less available. The urban programs are able to document that these resources are extremely limited.

1. Unlike tribes and tribal organizations, urban Indian organizations are not eligible for direct funding under the federal block grant program.

2. Changes in state Medicaid/Medicare policies through stricter eligibility criteria, demand for co-payment, deductibles that must be met before care is reimbursed, and ceilings on reimbursement severely limit urban Indian participation.

3. Some metropolitan health systems refuse to provide health care to urban Indian patients believing they are a federal responsibility.

4. Although most urban Indian health programs are located in medically underserved areas or health manpower shortage areas, the geographic distribution of the Indian population precludes many programs from receiving funding for this purpose.

You cannot solve the federal deficit by eliminating critically needed health programs. There is no safety net for the American Indian people in our cities; literally there has been no place else to go. Now the Administration states that the funding for the Urban Indian Health Program, along with the Community Health Representative Program, will be gradually phased out over the next three years with funding responsibility turned over to local communities and

governments. During the past fiscal year, state, county and city funding represented just over 12% of the urban Indian health programs' total funding. In fact, this percentage of total urban Indian health funding has been decreasing since 1983. It is unrealistic to believe that state and local governments will be able to reverse this trend and contribute an additional 47% towards the urban Indian health program funding. The Administration indicates that the urban Indian health programs provide auxiliary services to the Indian Health Service primary care services. I believe that we have demonstrated that the services provided by the Urban Indian Health Program are indeed primary care services which are complimentary rather than auxiliary to the Indian Health Service.

Mr. Chairman, American Indian and Alaskan Native people have always been a mobile population. Indians residing in urban areas maintain strong ties with their tribes and mirror the same low health status of their reservation cousins. A move to the city does not eliminate serious health problems, and educational, economic and social conditions. To ignore the urban Indian population is to abandon the national goal established in the Indian Health Care Improvement Act, "...of providing the highest possible health status to Indians...". The American Indian Health Care Association, and the 35 urban Indian health programs it represents."

The Association and the urban Indian health programs thank you for your continued support and ask for your renewed commitment to this national goal through the appropriation of $10.5 million for the Urban Indian Health Program in Fiscal Year 1988.

The Association further thanks you and other members of Congress for opposing and denying the Indian Health Service's efforts to reprogram 1 million dollars from the Urban Indian Health Program. Your commitment and action will enable the urban Indian health programs to continue to provide the needed health care services for urban Indians, nationwide.

Thank you.

STATEMENT OF GERALD R. ZIMMERMAN, EXECUTIVE DIRECTOR, UPPER COLORADO RIVER COMMISSION

Summary of Specific Action Requested

Appropriation of such funds to the Bureau of Indian Affairs as will provide for the orderly development of the Navajo Indian Irrigation Project.

The Upper Colorado River Commission is an interstate administrative agency created by the Upper Colorado River Basin Compact of 1943. The Commission represents the States of Colorado, New Mexico, Utah, and Wyoming in matters pertaining to the development, utilization, and conservation of water resources of the Upper Colorado River Basin.

Mr. Chairman, the Commission appreciates the opportunity to support the appropriation of funds to continue the construction of the Navajo Indian Irrigation Project during Fiscal Year 1988.

The Navajo Indian Irrigation Project is in Rio Arriba and San Juan counties in northwestern New Mexico. It will provide for the irrigation of 110,630 acres of land. A higher standard of living will be possible for more than 33,000 Navajo Indians.

This project is about 45 percent completed in terms of cost. The delay in appropriating funds for the completion of the Navajo Indian Irrigation Project defers realization of the full benefits of the funds already expended on this project and may unnecessarily increase the total cost for this project.

The statement by Mr. S. E. Reynolds, Secretary of the New Mexico Interstate Stream Commission, fully outlines the need and background basis for the continued development of the Navajo Indian Irrigation Project. The Upper Colorado River Commission supports an appropriation of $10.1 million in Fiscal Year 1988 to the Bureau of Indian Affairs to complete construction of the irrigation facilities contained in Block 6 of the project and to prepare the designs and award contracts for construction of the first phase of Block 7 consisting of about 2,000 acres. Currently Block 6 is over one-half complete; the requested funding level for Fiscal Year 1988 will allow for completion of the irrigation facilities in that Block. The Commission further supports the appropriation of $3.47 million in Fiscal Year 1988 to the Bureau of Indian Affairs for the operation and maintenance of this project.

On behalf of the Upper Colorado River Commission, I wish to thank you for granting the Commission the opportunity to express its support for the appropriation of funds for the continuing construction of the Navajo Indian Irrigation participating project under the Colorado River Storage Project Act of 1956 and the Navajo Indian Irrigation and San Juan-Chama Projects Act of 1962, as amended. In order to realize the full regional and national benefits of this project, the Commission urges you to provide the necessary funding to enable the timely completion of the Navajo Indian Irrigation Project.

Statement of Phillip Martin

My name is Phillip Martin, and I am the elected Chief of the 4,600-member Mississippi Band of Choctaw Indians, having a 21,000-acre reservation in east central Mississippi. I am speaking as the principal official of a tribe that has within the last six years created 1,200 jobs in tribal enterprises for tribal members and our neighbors, and that is contracting the large majority of BIA and IHS programs on the reservation.

The budget document, as presented by the Bureau of Indian Affairs, is an improvement over previous years' submissions in its positive tone and apparent attention to detail. But a thorough reading shows it to be seriously flawed by superficiality and a little disinformation. Nowhere is there discussion, with reliable data, of assessed need; even in the discussion of the proposed initiatives, detail is so scant as to prohibit even a cursory understanding for making judgements of value.

One thing apparent in this document, however, is the BIA's failure to accept and support the role of Indian tribal governments as the rightful decision-makers for Indian tribes, an attitude which has been suggested in a series of reports and public statements from the Department of the Interior and from the Assistant Secretary--Indian Affairs. There are clear examples that the budget process is to be used to diminish the liklihood

that tribal governments will fully exercise their Congressionally-established right to operate BIA programs under the provisions of PL 93-638. The most telling examples are the termination of the Self-Determination Grant Program and the proposed 15 per cent administrative fee. Each issue is discussed here.

Self-Determination Grants: The BIA has proposed the elimination of the Self-Determination grants, used by my tribe to support the work of the permanent committees of the Tribal Council, the legislative body of our tribal government, a function for which we have no alternative sources of funding. The BIA budget justification makes it appear that tribes chose to eliminate the Self-Determination grants program. They did not. Tribes were merely given a directive to redistribute these monies to any other category other than Aid to Tribal Government. We did not participate in this process; and the Bureau simply redistributed the funds to other programs on our behalf.

Contract Support: It appears that the contract support issue has been singled out as a point at which tribes can be implicitly portrayed as greedy and possibly corrupt. There is no acknowledgement that Indian people are best served by local delivery of programs; there is no discussion for the Congress' benefit of those successful tribal operations where both BIA and IHS programs are contracted. Further, there is no apparent understanding that the government's interests are best served when there is a fully functioning, coordinated and centralized tribal management system. Within such systems, there will always be costs which cannot be ascribable to a specific grant or contract.

Tribes, after all, are not defense contractors -- we do not build things for the federal government, but carry out service programs for it. It is suspect that Indian tribes should have been singled out for the abolition of full payment of their indirect cost awards as established under the authority of OMB Circular A-87, while other units of local government are not being so treated. The problem here lies in the failure of the BIA to cooperatively plan with the tribes to determine the anticipated contract support requirements and to fully inform the Congress of that level of need. BIA instead prefers to propose an scheme which has no basis in law and does not address the issue of adequate financial support for those tribal governments that choose to contract for the operation of BIA and IHS programs.

If BIA (and IHS) are simply incapable of implementing the provisions of the OMB Circular, I would support some more rational proposal than the BIA's flat fee -- something that would include a sliding scale so that larger contractors would receive reduced percentages.

Technical Assistance

Throughout the BIA budget document, there are repeated references to the technical assistance in contracting provided for tribes by BIA employees, especially at the area level. (See p. BIA-03 for discussion of BIA technical assistance.) We have long maintained that the contracting process should be centralized in Washington, away from the area offices. In the case of the Mississippi Choctaws, the area office has proven to be little more than a bottleneck, able to offer virtually no technical assistance of the sort we might require. With area office involvement, there is a clear conflict of interest: the area employees are not interested in promoting contracting because their reason for existence is threatened as tribes contract to operate more and more programs. Unfortunately, the area offices are now using contracting as an excuse to expand, saying that the contracting tribes need to be "monitored."

Tribes would be better served by the elimination of the area office role in all aspects of contracting and by the establishment of a centralized contracting and technical assistance office — one staffed with competent, well-trained professionals selected solely for their expertise. Such an arrangement would reduce the potential for conflict of interest. From the fiscal side, enough cost savings would result from the reduction at the areas to both staff the centralized office and to fully fund the tribes' contract support needs.

Proposed Resources Allocation/Effectiveness Study

This proposal (BIA-5 and 207) is another example of the BIA's inability to accept the trust responsibility. The BIA is proposing a study of funding "equity," but tribal funding is based on the government-to-government relationship to include specific provisions of service as outlined in treaty agreements, and services in general under the Snyder Act. The proposed study, which woul cost $700,000, including $400,000 for consultants and additional funds for still another task force, should not be funded. Such funds might instead be directed to a line item that would provide the needed support costs for the self-assistance initiative, such items as adult education or preschool education and care for the children of working GA recipients.

Self-Assistance Initiative

We at Choctaw have carried out such an effort for many years through the TWEP program, with a great deal of success. But, we have been successful only because we first (1) established a comprehensive education and training program for our adults which included literacy, English as a Second Language, GED, and vocational education; (2) set up a reservation-wide early childhood education program which assured families of safe and sound child care while they attended school or worked; (3) provided affordable transportation through a reservation-wide bus system; and (4) created large numbers of private sector jobs on the reservation. Also, we were only able to do so, in the IPS process, by sacrificing in areas such as roads and soil conservation, and placing greatest priority on adult education.

Based on this experience, we do not expect the self-assistance initiative to achieve any success unless there is provision for the basic network of services such as adult education, child care, transportation, and planning (for jobs and for coordination of such services) on the reservations.

Our recommendation here is for additional funds for adult education — both for literacy and GED preparation, for childcare and early education, and for transportation assistance. Further, there should be a well-developed plan from the BIA — one which fully analyzes the circumstances of each tribal community and then proposes actions based on those findings.

Education Initiative

The Choctaw tribe would like to contract for the operation of the six BIA schools on the Choctaw Reservation. To date, we have not elected to do so for several reasons:

1. The continuing conflict over contract support: the operation of a sound school system, especially one which is able to correct the mediocrity of the current system, will require a stable and adequate level of contract support.

2. The prohibition against contracting the superintendency: some BIA rules, which we have not seen in black and white, prohibit tribal contracting of Agency Superintendant for Education positions. It would be difficult for a tribe to administer a system the chief staff person of which is not a tribal employee.

3. The current conditions of the schools: we do not want to contract a school system which does not yet even meet the BIA's minimum standards and whose facilities need repair and renovation to adequately serve the expanding student population on the reservation.

It is our contention that Indian students will be better served by tribal contracting of BIA schools. Tribes, however, should not be placed in the either/or position of forced contracting or state takeover of schools. Instead, the BIA should be able to assure the tribes that, prior to contracting, the schools will be brought up to the standards of local public schools and the facilities will be repaired and renovated in a timely manner. Further, the issue of contract support should be settled in manner fair to the tribe and the tribe should be able to contract for all functions associated with the operation of the school.

Other Education Concerns

ISEP Increases: Vocational Education and Teacher Salaries

The formula used to calculate per student allocations continues to fall short in an area crucial to the operation of BIA or tribal contract schools: the absence of a weight or similiar mechanism to provide financial support for vocational education. Vocational education programs are, by their nature, expensive. Yet, vocational training and related prevocational education are sorely needed in reservation schools. Unfortunately, the per student allocation is not enough to permit the operation of a sound academic program and a vocational program which would prepare our young people for jobs. For the Mississippi Choctaws, there is no opportunity for secondary vocational education. We urge consideration of additional funding for vocational education programs, perhaps programs established initially on a pilot basis.

We also urge a study of BIA and public school teacher and administrator salaries and benefits, with attention being given soon to an increase in the appropriations level to provide for salary increases. In the past the BIA schools paid salaries substantially higher than those paid by state public schools. Such is no longer the case. Here in the Choctaw schools, we are having great difficulty in attracting teachers and administrators at all. With state salary increases of $4,000 over the past four years and with more and more school districts supplementing the state base pay — especially in such fields as science, math, and special education — the best and most experienced teachers opt for public schools, preferring not to work for less pay in a reservation setting. We need to be able to offer salaries which are a little better than those of the public schools in the surrounding towns and counties so that we can attract professionals who have had the specialty training needed to aid our students in achieving academic parity with non-Indian students. We would, for example, like to be able to recruit teachers who have had training in English as a Second Language or bilingual education since virtually all our students are Choctaw speakers. At this time, the schools cannot offer attractive salaries for such teachers. Further, the unfortunate reality which must be addressed is that salaries for education professionals must be higher on reservations in order to compensate for the isolation of the reservation, the greater demands on teacher time for community involvement, and the greater distances that teachers must travel between home and work.

Indian Priority System

The Indian Priority System has come to be used by the central and area offices as a means of (1) decreasing the budget by citing tribal "priorities," and (2) manipulating tribal programs at the local level, by eliminating programs from the system and citing the priority system as the reason for funding reductions and increases. It is important for the Committee to understand that the tribes are not given the opportunity to influence the overall funding level for the IPS. The overall funding level for this broad category of programs is requested at the national level by the BIA — not by the tribes. During the budget process, the tribes are unable to submit evidence of documented need for certain services, documentation which should be sought and used by the BIA in setting requests for the total dollars in the IPS system.

As the system now works, tribal participation is limited to making the difficult choices of ranking preferences for services. Naturally, when a tribe must choose among such necessities as law enforcement or the court, then programs such as literacy education receive lower priority from tribes. This process creates a false impression, one suggesting that tribes do not value adult education or higher education or some of the less "essential" programs in the IPS. It is our strong recommendation that the total dollars available in this system be increased so that tribes have the opportunity to design and operate those programs needed for reservation economic development and increased levels of education, especially among the adult workforce. If we are expected to attract the private sector to our reservations, we must be able to offer well-maintained roads, adequate security and law enforcement, a viable court system, and an educated workforce.

Timber Issues

The BIA proposals on deduction of timber administration fees (p. 184 and 299) is another example of the Bureau's continuing tendency to concentrate budget savings in those programs most often contracted by tribes. Forestry, once seldom contracted, has seen a recent increase in the number of tribes contracting. Now that the timber administration funds are no longer going to the Bureau, they have become an appetizing cut.

Requests for Additional Personnel

On page 236, there is a request for additional contracts/grants personnel (43 FTE at a cost of $1,374,000). On the same page, there is a request for an additional $1,000,000 (32 FTE) for personnel services. Still later in the budget document, the BIA is requesting nearly $1,000,000 for its General Administrative Consolidated Training Program. It is our considered opinion that none of these requests should be honored by the Committee. The BIA's problem is not lack of staff but rather absence of competent, motivated staff.

Facilities Operation and Maintenance

We strenuously object to the requested decrease in O&M funds. Good buildings which could be used by tribes have been allowed to deteriorate, due to previous O&M reductions. We recently contracted for the operation of the school dormitory program and found, to our dismay, that the dormitory was in a disasterous condition. It was no surprise that the Bureau had had trouble retaining students who didn't wish to remain in a building so unkempt and in such disrepair. It appears that the BIA is discouraging BIA school attendance and tribal contracting through the slow deterioration of facilities. Further, the proposal to allocate O&M funds on a per pupil, rather than a square footage, basis is one which will place even greater

hardships on the BIA schools. As funds become more limited, the liklihood increases that tribes will not opt to take over poorly maintained buildings. We support the continued funding of O&M at the FY 1987 level and the rejection of the funds' allocation proposal.

Indian Health Service

The IHS request is much more routine than the BIA's. Unfortunately what it lacks in "initiatives," it makes up for in proposing funding cutbacks that will accelerate the deterioration of health care services levels for Indian people. IHS is proposing a 12 per cent cut to Hospitals and Clinics, the heart of the health care program, and a ten per cent cut to the Alcoholism program, with other, less major, cuts to Dental Services and Mental Health.

While these cuts have been characterized as the IHS contribution to the Gramm-Rudman targets, they are in direct conflict with the policy contained in the Indian Health Care Improvement Act. There is no way that Indian health care can be brought up to national parity, at a time when medical inflation is around ten per cent, with an overall IHS budget decrease of six per cent. In fact it is somewhat cavalier to submit such proposed cuts to a Congress which itself provided a Gramm-Rudman reduction ceiling to the IHS of two per cent.

Statement of Georgia C. George, Chairwoman, the Suquamish Tribe

The Suquamish Indian Tribe presented testimony on the FY88 appropriations for the Bureau of Indian Affairs and Indian Health Service before the House Appropriations Subcommittee on Interior and Related Agencies in early March of this 100th Congressional session. In the enclosed testimony, we presented views on the proposed administration budget from a national perspective as well as addressing the unique needs of the Suquamish Tribe.

Basically, the Suquamish Tribe has particular needs for support in the fields of Tribal government operations, fisheries, social and health services, and museum operations. A summary of these requests is outlined as follows:

- Stop the BIA attempts to impose a fifteen percent administrative fee on P.L. 93-638 contracts in FY88, restore appropriations to one hundred percent of need for indirect cost in FY88, and allow resolution of indirect cost issues through the amendments to P.L. 93-638 currently under the consideration of the 100th Congress

- Restore and increase the Tribal core management grant program so essential to effective governmental operations for small Tribes such as the Suquamish Tribe

- Provide $195,700 for critical hatcheries maintenance, replacement and improvement needs at four Tribal hatchery facilities including:

* Grovers Creek Hatchery	100,500
* Cowling Creek Hatchery	19,750
* Agate Pass Seapens	23,450
* Satellite Incubation Facilities	52,000

- Earmark $50,000 from the BIA Indian Arts and Crafts Board for Suquamish Tribal Museum operational support (A copy of the Museum brochure is enclosed)

- Increase Indian Child Welfare Program funding so all Tribal governments can fully participate

- Restore and increase support for social and health services, particularly the Community Health Representative program providing essential direct care to Tribal members

In closing, we encourage the Committee and Congress to give every consideration to the support of stable Tribal governments offering services efficiently and effectively to their peoples, creating environments attractive to private investment and business development, and planning for ultimate self-sufficiency. We thank you for your time and consideration of the issues and concerns expressed by the Suquamish Tribe.

Statement of Gerald I. James, Treasurer, Lummi Indian Business Council

I testified before the House Appropriations Subcommittee on the Interior and Related Agencies regarding the FY88 Appropriations for the Bureau of Indian Affairs and Indian Health Service earlier this Spring. I've enclosed a copy of the Lummi testimony for your review. As a synopsis of our statement, we request:

- Restoration of the indirect cost on P.L. 93-638 contracts to levels as negotiated with the Interior Inspector General

- Provision of $800,000 for Hatchery Expansion & Renovation for species enhancement promised in the U.S.-Canada Salmon Treaty. This will be the fifth year we have made this request. The Lummi Tribe needs these hatchery funds to restore fisheries opportunities lost in the treaty negotiations

- Stop BIA efforts to place fisheries programs in the "band" or Indian Prioritization System

- BIA/IHS program support for Indian Families as the nucleus unit of the Tribe

- Increases in Indian Child Welfare programs so all Tribes can participate

- Increased support for Lummi Child and Family Services

- Restoration of the BIA/IHS drug prevention programs and the IHS Community Health Representative program

- Maintain Lummi model justice system

- Increase law enforcement to $215,000 to meet increasing demands

- Allowance of BIA grants to match guaranteed loans

- Expansion of economic development initiatives including Training, Technical Assistance, and Entrepreneurship opportunities

- Consideration of base level funding for P.L. 93-638 Tribal Government Contracts

We appreciate your consideration and support. Hopefully, priority concern for Congress will be focused on Tribal governments and their capacities to effectively deliver services and develop their economies.

Statement of the Great Lakes Indian Fish and Wildlife Commission

INTRODUCTION

The Great Lakes Indian Fish and Wildlife Commission is comprised of eleven tribal governments located throughout Minnesota, Michigan, and Wisconsin, including Grand Portage, Fond du Lac, Mille Lacs, Red Cliff, Bad River, Lac Courte Oreilles, Lac du Flambeau, Sokaogon (Mole Lake) Chippewa, St. Croix, Keweenaw Bay, and Bay Mills. Its purpose is to protect treaty-guaranteed rights to hunt, fish, and gather on inland territories ceded under the Chippewa Treaties of 1837 and 1842; to protect treaty-guaranteed fishing on the Great Lakes; and to provide co-management of these resources.

FY 1988 BIA APPROPRIATIONS REQUEST

Member tribes of the Great Lakes Indian Fish and Wildlife Commission are proposing to maintain current funding levels for biological management, public relations, and support staff while significantly increasing funding levels for conservation enforcement and tribal courts.

The Commission's conservation enforcement division and tribal courts play an essential function in a process which enables tribal members to exercise their off-reservation rights while effectively protecting the region's fish, wildlife, and plant resources.

Tribal representatives first negotiate seasonal agreements for hunting, fishing, and wild ricing with the State of Wisconsin based upon data gathered, compiled, and analyzed by the Commission's professional biological staff. Quotas, bag limits, and permit systems are established during this process to insure protection of the resources and monitoring of harvest levels. It is imperative that funding levels for Biological Services be maintained at current levels. Failure to do so would result in regulation without reason.

Once seasons begin, six Commission wardens must patrol large tracts of public lands scattered over 12.5 million acres in Wisconsin. Enforcement services are also provided in Michigan where one warden is responsible for enforcement of inland hunting and fishing activity and one warden is responsible for patrolling the vast territories used in Lake Superior for commercial fishing. Wardens average 39,000 patrol miles per vehicle and file over 6000 incident cards. These incident cards record enforcement activities such as responding to complaints, investigations, providing assistance to tribal members, and citing violators. A $1,186,000 funding increase is needed to expand staffing levels, upgrade equipment, and provide adequate training of Commission wardens. A $22,000 funding increase is also being proposed for tribal permit stations. These stations monitor harvest levels for white-tailed deer, walleye, and musky, and play a key role in developing the next year's regulation of these resources.

Once a tribal member has been cited by a Conservation warden, the case is then adjudicated in tribal court. Tribal courts hear cases, determine guilt or innocence, and assess penalties. Increasing funding for tribal courts by an additional $70,000 will improve training and efficiency thereby insuring the continued sovereignty of member tribes in the regulation and management of natural resources.

The addition of $1,278,418 would bring the Commission's annual budget to $2,632,418. A budget comparison between the Commission's actual FY 1987 contract and proposed FY 1988 appropriation is provided in Exhibit A.

STATEMENT OF NEED

Since the initial court decision in 1983, the Commission, through one of its committees--the Voigt Inter-Tribal Task Force--has negotiated 20 agreements with the State of Wisconsin for subsistence hunting and fishing activities within the ceded territories. During this period both walleye spearing and the harvest of white-tailed deer has more than doubled.

There has also been a significant increase in commercial fishing activity in the Michigan waters of Lake Superior. The amount of net fished by tribal fishermen increased from 3.9 million feet in 1985 to 8.4 million feet in 1986, resulting in a 58% increase in the number of pounds of whitefish harvested and a 121% increase in lake trout harvest during a one year period. With the increase in fishing has come an obligation to enforce the state-approved inter-tribal agreement as well, which regulates commercial fishermen.

In both inland and lake areas, Commission warden activity has increased resulting in nearly twice as many citations in 1985 as in 1986. The increased number of citations must in turn be adjudicated in tribal courts, again necessitating funding increases. A breakdown of tribal off-reservation activity is provided in Exhibit B.

BENEFITS

The Commission's proposed $2.6 million conservation program is required to adequately co-manage and protect the natural resources of the 1837 and 1842 ceded territories.

The Commission's proposed $1,278,418 budget increase will enable the organization to improve monitoring of harvest levels, expand enforcement of off-reservation conservation codes, and increase the effectiveness of tribal courts. Under the Commission's proposal, significant funding will be used to increase the number of full-time field wardens from the current 8 positions to 21 thereby improving safety and expanding patrol of Lake Superior commercial fishing codes. Expanding full-time staffing will enable the Commission to establish a system of satellite offices which will increase presence and improve community relations with member tribes (See Exhibit C). Funds have also been budgeted to recruit 28 seasonal field wardens. Seasonal wardens provide a cost effective mechanism to meet the needs of peak resource demand periods such as spring spearing, wild ricing, and deer hunting. The establishment of three district offices (Minnesota, Michigan, and Wisconsin) will insure a manageable span of control and efficient use of increased manpower. As staffing levels increase so too will support costs for weapons, uniforms, vehicles, equipment, and training.

Tribal self-regulation of natural resources use requires full biological, enforcement, and judicial capabilities. The ability of the Great Lakes Indian Fish and Wildlife Commission to meet this need will not only provide our tribal service population with a meaningful exercise of their treaty rights but also protect and preserve the region's natural resources upon which the tourist economies of three states rely.

EXHIBIT A

BUDGET COMPARISONS

FY 1987 -- FY 1988

	FY 1987	FY 1988
Commissioner's Voigt Task Force, and Lakes Committee Meetings	$ 45,100	$ 45,100
Administration Division	305,001	305,001
Central Office Space Costs and Garage Rental	24,650	24,650
Communications	24,000	24,000
Public Information Division	91,140	91,140
Inter-Governmental Affairs Division	35,860	35,860
Biological Services Division	328,747	328,747
Enforcement Division	330,502	1,516,920
Tribal Spearing Permit and Deer Registration Stations	29,000	51,000
Tribal Courts	140,000	210,000
TOTAL	$1,354,000	$2,632,418

**In FY 1986 the Bureau of Indian Affairs directed $20,000 of the Great Lakes Indian Fish and Wildlife Commission's Congressional Allocation to the Minneapolis Area Office for purposes of monitoring the contract. Administrative appeals have been exhausted and court action is under review. Should the Bureau of Indian Affairs continue its practice of directing funds to BIA Administrative functions, their budget request should note this fact.

EXHIBIT B

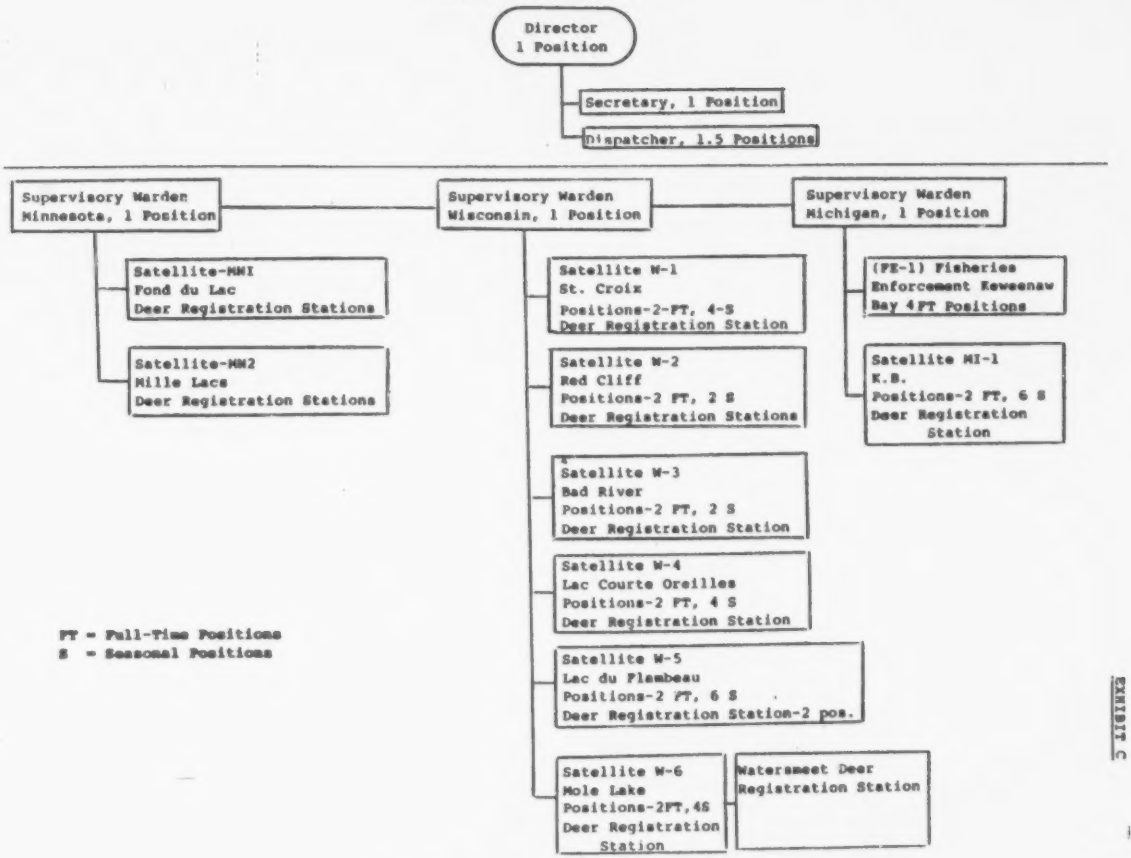
Species	Activity	1984 Harvest	1985 Harvest	1986 Harvest	1985-1986 % Increase
Walleye Pike	Spearing	---	2755	6940	151%
White-tailed Deer	Hunting	687	1380	2145	55%

Species	1985 Harvest	1986 Harvest	1985-1986 % Increase
Whitefish	522,000 lbs	826,000 lbs	58.23%
Lean Lake Trout	83,000 lbs.	184,000 lbs	121.00%
Fat Trout	Incidental	79,000 lbs	1000-3000%

Tribe	Bear Hunters	Deer Hunters	Trappers
Bad River	113	304	102
LCO	29	409	15
LDF	136	379	107
Mole Lake	120	150	133
Red Cliff	37	257	5
St. Croix	33	111	69
TOTALS	468	1610	431

Warden Activity	1984	1985	1986	1985-1986 % Increase
Incident Cards Filed	1499	5674	6100 est.	7.5%
Citations Issued	6	49	95	93.0%

Proposed FY 1988
GLIFWC Enforcement Division



FT = Full-Time Positions
S = Seasonal Positions

EXHIBIT C

STATEMENT OF WALTER JACKSON, TRIBAL SECRETARY, QUILEUTE TRIBAL COUNCIL

The testimony of the Quileute Indian Tribe, on the FY88 Budget for the Bureau of Indian Affairs and Indian Health service presented to the House Interior Appropriations Subcommittee, is enclosed for your review. As a summary of our presentation, we requested the following:

- Restore indirect cost funding to FY87 levels, reject the BIA plans to impose a 15% administrative fee level on all P.L. 93-638 contracts, and allow the issue to be resolved in the pending amendments to P.L. 93-638

- Provide an additional $50,000 for fisheries management to cover increased program costs and $20,000 for cyclical maintenance and repairs

- Provide $231,000 to triple Lonesome Creek Hatchery Production through renovations/construction

- Provide $224,000 for construction/renovation of Swede Hole rearing pond to double production

- Restore the $380,000 cut in US-Canada Tribal participation funding to FY87 level of $2.38 million

- Provide $153,000 for law enforcement on the Quileute Reservation as the Tribal part-time policeman is dangerously inadequate

- Direct the IHS to assist the Tribe in locating a water supply that is dependable and drinkable. The estimated cost is $50,000

- Increase social service appropriations to strengthen the family, allow all Tribes to participate in Indian Child Welfare programs, and offer T & T.A. for Tribal staff to improve effectiveness. In particular, restore the drug abuse prevention funding levels

- Earmark from BIA School Construction accounts $310,000 for necessary renovations/repairs to the aging Quileute school facility

The Quileute Tribe appreciates your consideration of these expressed needs. In general, we urge continued and expanded support for Tribal government operations. A Tribal government's capability to effectively manage is the foundation of Indian Self Determination.

STATEMENT OF GARY COLLINS, CHAIRMAN, NORTHERN ARAPAHOE TRIBE WIND RIVER RESERVATION, WYOMING

The budget submitted by the President for the Bureau of Indian Affairs for fiscal year 1988 contains an $11 million reduction from that of the previous year. This budget reduction comes on the heels of a much larger budget reduction from that

authorized in fiscal year 1986 to that of fiscal year 1987. The 1986 reduction had a dramatic adverse affect on the level of services provided to the Arapahoe Tribe for that fiscal year and this reduction will only serve to exacerbate an already dire situation.

These budget cutbacks come at a time that the Tribe can ill afford. The United States is experiencing an economic recession but on the Wind River Reservation the nationwide recession translates into a depression. The primary source of revenue for the Arapahoe Tribe in addition to federally sponsored programs comes from oil and gas production on the Wind River Reservation. I don't think I need to remind you of how dramatically oil revenues have dropped in the last year. The drop in oil revenues coupled with the Bureau of Indian Affairs budget cutbacks have resulted in severe economic hardships for the Arapahoe people.

These serious economic conditions have demoralized the will of the young Arapahoe people. Last year the Arapahoe Tribe experienced an epidemic of suicides by Arapahoe young men in their late teens and early twenties. These suicides dramatically reflect the loss of hope for a promising future for this generation looking to join the work force.

To alleviate these conditions, the Arapahoe Tribe strongly supports a healthy Bureau of Indian Affairs budget which will be used to provide more direct services to the Arapahoe people. This goal can be achieved by encouraging and providing greater opportunities for the Tribe to directly contract through the Bureau of Indian Affairs for services. Contracting for services will create Tribal employment through Tribal administration of programs and promote greater Tribal responsibility for the Arapahoe people.

I

With this philosophy of the Arapahoe Tribe in mind, the Tribe strongly endorses the funding of inventorying tribal mineral resources and in developing those natural resources. The Bureau's FY 1988 budget, however, reduces funding in these important categories. The mineral resources of the Wind River Reservation have historically been the principal source of income for the Tribe as a consequence the Tribe strongly endorses a budget which will promote the further development of these resources. In addition to inventorying and promoting the development of tribal minerals, the Tribe is very interested in having a current soil and range inventory conducted. Both of these inventories will assist the Tribe in its effort to develop agricultural lands of the Reservation.

II

The Tribe also perceives the need for improved assistance in the housing and social assistance programs. With respect to the Bureau's Housing Improvement Program, the Tribe is seriously worried about the Bureau's proposed changes and eligibility requirements for this program. For example, the eligibility standards for participants in general and for the handicapped is far too restrictive. With these strict standards the two Tribes on Wind River will have few if any who will qualify. If the existing standards for those programs were to remain unchanged approximately four hundred tribal members would qualify. It appears that all the Bureau is trying to do with these new eligibility requirements is eliminate as many Indian people from the program as possible. In addition, the Bureau is

proposing to eliminate a dollar figure for the construction of new housing for those category of Indians identified as elderly and handicapped. The previous amount had been set at $45,000 per dwelling. This leaves the tribe at a loss as to how much the Bureau proposes to spend on each of these new housing units. By way of creating further eligibility problems, the demographics originally relied on by the Bureau to justify the number of potential eligible participants in the Housing Improvement Program was in error. Current figures made available to the Tribe more accurately reflect the actual number of potential eligible participants which is more than Bureau's previous figures.

In addition to the restrictions on elderly and handicapped for new houses, the Bureau is proposing to limit eligibility for renovation of existing houses again only to the elderly and handicapped. Furthermore, if the Bureau determines under the proposed standards that the Tribe has no elderly or handicapped then no Housing Improvement Program money will be distributed to the Tribe. In support of its policy the decision the Bureau wants tribal members to obtain loans from local lending institutions. Local banks have historically been reluctant or have refused loans to tribal members for home repairs on improvements because of the land ownership problem and the difficulty of enforcement of collection actions in the event of default. Because of these perceived problems by the local banks few, if any, tribal members will be able to obtain local financing.

III

The Arapahoe Tribe is willing to contract as many Bureau programs as is feasible under PL. 93-638. However, to be able to do so the Tribe needs adequate funding to be able to carry out contracted programs. The Bureau's proposal to arbitrarily set a 15 percent ceiling figure for indirect costs will inhibit or prevent the Tribe from PL. 93-638 contracting. If the Tribe is to achieve some measure of self-determination it must be able to contract for these programs but it must have an adequate budget to do so. Aside from this indirect cost problem the contract amount must be of a sufficient level so that the Tribe can fulfill the purposes of the contracted for program. Too often in the past the Bureau has funded a program the first year of the contract adequately but on progressive years reduced that funding. These types of reductions will prevent the Tribe from carrying out the contract's purposes and will serve to discourage applying for PL 93-638 contracts and encourage retrocession of contract programs to the Bureau.

IV

Turning now to the subject of the Bureau's proposed EARN program the Tribe is interested but needs further information as to its implementation. The implementation of the program will most certainly dictate the effectiveness of it. The Tribe is conscious of the fact that similar approaches have been tried unsuccessfully with other segments of the American society. This does not suggest that the Tribe is against the concept only that it needs to know the level of financial and technical assistance the Bureau will provide. As you should know, the Tribe, like other Indian tribes, has a very high unemployment rate with little or no businesses or industry located near or on the Reservation which can provide employment. The Tribe with the Bureau's assistance needs to encourage the development of Reservation based industry and business enterprises. Without

this development the EARN program will be but a short term solution with no lasting impact.

The fact that there are few jobs available for the EARN program through the Bureau was graphically made evident in the responses to the Area Director from the various department chiefs for the Billings Area Office. With the exception of Land and Minerals the number of full time jobs is so nominal that even with the Tribal component the goals of the EARN program are unattainable.

Another difficulty with the EARN program as it is being proposed is the targeting of Bureau grants and loans to those Tribes in which 20 percent or more of those from the work experience phase are placed on the Job Priority list. The problem with this approach, although it is meant to be an incentive, is that there are insufficient job opportunities to move people from the work experience step to the Job Priority list. Unless the Bureau is committed to providing sufficient financial resources to make the program work through its developmental phase this program will be a failure. This would be a disappointment because the concept is attractive and it could, if properly implemented, break for many Indians the General Assistance cycle.

V

Our final comments concern the Community Self-Assistance program. The features of this program as proposed could be very beneficial in developing community self-esteem. However, the proposed nationwide funding level of five million dollars falls far short of producing any meaningful results. The gesture is a mere token at best.

STATEMENT OF CHARLES M. CLARK, JR., M.D., CHAIRMAN, NATIONAL DIABETES ADVISORY BOARD

The National Diabetes Advisory Board was created by Congress to review, evaluate, and report on national diabetes-related activities. In previous testimony before this subcommittee, we described the extent of diabetes and its complications among American Indian people.

Whether expressed in terms of prevalence, morbidity, premature mortality, or economic impact, diabetes among American Indians is significantly more severe than in other U.S. population groups. Diabetes occurred quite infrequently in American Indians 50 years ago, but the diagnosis of diabetes became progressively more common by the 1960's. Today, diabetes in some tribes has achieved epidemic proportions. A startling 50 percent of Pima Indians over the age of 35 have diabetes, and prevalence rates greater than 20 percent among adults have been reported in several tribes in Arizona, Florida, Nevada, New Mexico, New York, North Carolina, and Oklahoma.

The serious complications of diabetes are increasing in frequency among American Indians, especially renal failure, amputations, and blindness. The costs of managing diabetes and its complications also are increasing rapidly. Because the Indian Health Service (IHS), is responsible for the health care of American Indians, these rising health care costs of diabetes are borne directly by the Federal Government. The following are only two examples:

- The treatment for renal failure--kidney dialysis or transplantation--is particularly expensive. The annual cost of treating the current patient population of American Indians with chronic renal failure exceeds $10 million.

- American Indians with diabetes account for approximately 75 percent of all amputations within the IHS health care system. The annual hospital-related costs alone of these amputations exceed $3 million, exclusive of the costs of rehabilitation and disability.

Prevention and treatment strategies are available to reduce the rate and severity of these and other complications of diabetes. Diabetes specialists familiar with the American Indian population have recommended implementing these strategies without delay to reduce the associated economic and social costs. Therefore, in 1975, The National Commission on Diabetes recommended, and Congress subsequently funded, a Model Diabetes Health Care Program to develop and evaluate effective and culturally acceptable methods to reduce the severity of the disease and to reduce the expense to the IHS of related the Model Diabetes Health Care Program. The model program sites are in Arizona, North Dakota, Oklahoma, Nebraska, New Mexico, Maine, and Washington.

Multidisciplinary teams have been established at each site to intensify preventive services and to develop a comprehensive diabetes care plan that includes routine screening for complications, patient education and nutrition counseling, and attention to related conditions such as hypertension, urinary tract infections, and foot care. Considerable progress has been made at these sites in delivering high-quality, culturally acceptable diabetes care.

The model sites serve only about 10 percent of the IHS population. Modest but critical outreach activities have begun to transfer effective treatment strategies to other service units. But requests for education, training, and assistance far exceed the available personnel and resources of the small core program staff. The IHS initiative against diabetes must be expanded to address these specific challenges throughout the American Indian population:

- To reduce the incidence of diabetes in this high-risk population.

- To treat the rising number of patients newly diagnosed with diabetes to reduce complications.

- To prepare all IHS service units to treat effectively the longterm complications of diabetes already present in this population.

To address these challenges, the NDAB has developed new recommendations for IHS as part of a revised national long-range plan for all Federal agencies. The specific IHS objectives, which will require additional funding and personnel, are:

- Establish at least one model diabetes care and education program (a center of excellence) in each IHS administrative area to serve as a focus from which culturally relevant treatment strategies can be transferred into surrounding hospitals, clinics, and service units.

- Establish diabetes health care programs in each service unit that incorporate state-of-the-art patient care and professional training.

- Establish a registry of patients with diabetes at each service unit and require each IHS administrative area to track trends in prevalence and incidence of diabetes, amputations, end-stage renal disease, laser therapy, hospitalizations for heart disease and diabetes, as well as the prevalence of diabetes in pregnancy and the outcomes of pregnancies of women with diabetes.

- Using IHS referral hospitals, establish centers of excellence for care of complications to provide state-of-the-art care for diabetic eye disease, end-stage renal disease, and peripheral vascular disease.

- Establish diabetes patient education programs in each service unit that meet national standards. The programs should specifically be designed for Indian patients and targeted to multiple reading levels and local languages.

- Establish in each IHS area a full-time diabetes control officer to conduct training programs, provide consultation, and coordinate data collection and analysis.

- Assist tribes to incorporate information about diabetes into community programs. Assist communities to develop model school programs and a tracking system to measure childhood obesity and fitness. Provide all Community Health Representatives with yearly training about diabetes and preventive care.

An expanded diabetes initiative is required to reduce the rapidly growing rate of diabetes-related complications that threaten the future clinical and financial resources of IHS. The Senate Select Committee on Indian Affairs recently approved legislation to expand and strengthen the IHS diabetes program. The above recommendations of the Board are reflected in that legislation. The current IHS budget for the Diabetes Care Program is $2.9 million. Additional funds and personnel are needed to capitalize on the development and experience of the current model sites and to implement preventive health services, screening, and coordination of diabetes care services throughout the IHS.

> The Board recommends that an additional $5 million be appropriated for the IHS for diabetes prevention and treatment services.

Statement of Richard Gurnoe, Red Cliff Bank of Lake Superior, Chippewa Indians

Mr. Chairman, Members of the Committee, thank you for taking the time to review our written testimony in which we are requesting funding to develop a fish hatchery for lake trout rehabilitation and treaty fishing enhancement.

The Red Cliff reservation is located at the extreme northern tip of the Indianhead country of Wisconsin - as far north as you can go, on the shores of Lake Superior overlooking the magnificent Apostle Islands. Most of the Red Cliff Reservation is timbered, and unsuited for agricultural purposes. Our only industry is fishing - the mainstay of our economy, as it has been for hundreds of years. Fishing and related jobs employ 15% of the tribal work force. Last summer we dedicated our own fish processing plant that directly markets a majority of the local catch by Indians and non-Indians.

As a result of the State vs. Gurnoe decision in 1972, the Red Cliff Tribe gained co-management status with the state of the fishery resources in the Wisconsin waters of Lake Superior. I'm the Gurnoe of the "Gurnoe Decision". As Tribal Chairman, I'm pleased to report that as of 1996, the Red Cliff Tribe will have completed 16 consecutive years of joint management of the Lake Superior fishery with the State of Wisconsin. Red Cliff will have achieved this remarkable accomplishment through two agreements hammered out with the state at the bargaining table. In addition to the negotiated fishing agreements we've worked out with Wisconsin over the past several years, we are now fishing under management agreements with the other two fishing tribes in our area, the Bad River and Keweenaw Bay Chippewas.

Faced with the new fishery management responsibility under these agreements, the Red Cliff Tribe was able to establish a complete Fishery Management/Enforcement Program in 1979 with Federal funding and continue it to the present time. This program includes Fishery Management with a small staff including a professional Fisheries Biologist and Fishery Technicians; a Conservation Enforcement Program with four

Conservation Officers who are graduates of the State Police Academy; and a Court system comprised of a professional attorney, two Tribal Judges and two paralegal assistants. This program provides a system of fishery resource assessment, commercial fisheries monitoring, enforcement of tribal fishing and other conservation codes, and tribal prosecution of offenders. Only because of this complete program is the Red Cliff Tribe able to maintain our ability to meet the State of Wisconsin as an equal bargaining partner in the fishery management agreements.

Lake trout, the most important commercial and sport fishing species, was decimated over 30 years ago by the parasitic sea lamprey. Few areas of the lake contain lake trout with self-sustaining populations. With the implementation of federal, state, tribal and Canadian sea lamprey controls, it is possible to reestablish lake trout through a judicious stocking program. It is estimated that just to rehabilitate the Wisconsin waters of Lake Superior will require a minimum of 447,000 yearling size lake trout per year. The majority of these fish were supposed to be supplied from the U.S. Fish and Wildlife Service Hatchery System. Due to chronic disease and water quality problems at the new Iron River Hatchery, the entire stock was lost in 1986. This hatchery has been unable to attain even the minimum production level in the 3 years it's been in production. Red Cliff recently signed a state/tribal management agreement for the 10 years 1986-1995, and our success is dependent on the production from the Federal hatcheries. Lake trout production from the Federal hatcheries serving the Great Lakes has been so decimated in recent years due to disease and facility problems that there will be no stock available in 1987 for Wisconsin waters. The likelihood of ever receiving the nearly 450,000 stocked fish called for in the state/tribal agreement in any one year is suspect.

The Red Cliff Tribe has come far in developing its fishery management capabilities, and more importantly, a degree of economic self-sufficiency through commercial fishing and our new fish processing plant. Our fisheries provide over $450,000 in personal income and it is anticipated this will increase considerably with the expansion of markets for our processed fish products. The new 10 year fishing agreement we recently entered into with the state severely reduces quotas and seasons for both non-Indian and tribal fishermen due to the shortage of lake trout entering the fishery. It is in the best interest of all concerned parties, Indians, non-Indians, sports fishermen and commercial fishermen to work cooperatively to achieve a fully restored lake trout population. This would mean a minimum of 50 more people from our area could be employed in the fishing industry.

The Red Cliff Tribe has demonstrated our concern for the protection and enhancement of the Lake Superior fishery, and we strongly support the efforts of Federal, State, Tribal and sports fishing groups to rehabilitate the lake trout stocks. Because of continued problems at the Iron River Hatchery, and because the Red Cliff Reservation is blessed with the abundant supply of high quality water, some of it coming from artesian wells, we are hereby requesting that $664,000 be added to the Bureau of Indian Affairs budget as a separate line item for the construction of a small efficient multi-species cold water fish hatchery on the Red Cliff Reservation, and that $118,000 be appropriated annually to support the operation and maintenance of the facility. These figures also reflect contract support costs.

Thank you for your consideration of this request.

STATEMENT OF BILLY CYPRESS, INTERIM CHAIRMAN, MICCOSUKEE TRIBE

Mr. Chairman, my name is Billy Cypress and I am Interim Chairman of the Miccosukee Tribe of Indians of Florida. Thank you for the opportunity to present the views of the Miccosukee Tribe on the Administration's budget requests for fiscal year 1988 for the Bureau of Indian Affairs, the Indian Health Service and the Indian programs of the Department of Education. I will be as concise as I can in view of the major issues raised by the President's proposals.

BUREAU OF INDIAN AFFAIRS

We wish to call to the attention of Congress the failure of the Bureau of Indian Affairs to fund the Tribe's law enforcement program -- operated pursuant to Public Law 93-638 -- at the level required by congressional directives. In the Continuing Resolution for Fiscal Year 1985, Congress appropriated about $8 million "to be distributed so as to bring all [law enforcement] programs ... at least half way to the 'exemplary' level, while maintaining the program on the tribal priority system." In fiscal year 1985, none of the "congressional add-on" funds for law enforcement were allocated the Tribe, despite our need for such funding and discussions with the Bureau which led us to expect that we would be included. In the Fiscal Year 1986 appropriations process, Congress found the distribution of the 1985 congressional add-on funds to have been "inequitable," and the Senate and Conference Reports directed that $50,000 of these funds retained by the Bureau in its Central Office be provided to the Miccosukee Tribe. Sen. Rep. No. 99-141, p. 44; 131, Cong. Rec. H12951 (December 19, 1985).

Although the Bureau provided these funds to the Tribe in FY 1986, it has not done so in FY 1987. Congress clearly intended that the increase be an ongoing adjustment to the Tribe's base funding, and the Bureau has added the law enforcement add-on allocations for other tribes (including the reallocations directed by Congress for FY 1986) to the tribal priority system. It refused to do so for the Miccosukee Tribe and has withheld the funds from the Tribe's FY 1987 law enforcement contract.

Consequently, we have been forced to file a costly and time-consuming administrative appeal. While we have requested a formal hearing in that appeal, the Bureau has so far failed to schedule that hearing even though the time within which the hearing must be held under federal regulations has expired. 25 CFR § 271.81. Meanwhile, we have been forced to dangerously reduce the staffing of our law enforcement program. We do not understand why it is necessary for us to incur additional delay and legal costs in order to obtain the funds which Congress directed the Bureau to add to our program. We ask that the Congress take such additional steps as may be necessary to assure that the $50,000 is available to us in FY 1987 and is added to the recurring base for our law enforcement program for future years.

In addition, the Bureau has published regulations proposing to discontinue law enforcement funding in states which have assumed jurisdiction in Indian country pursuant to Public Law 83-280. If these regulations go into effect as presently worded, our BIA-assisted law enforcement program would be closed down. Our Tribe does fund one police officer from tribal funds, but we are not financially able to assume the costs of the program now provided by the BIA. The proposed regulations do not take account of the fact that State law under P.L. 280 does not apply to the Miccosukee community within the Everglades National Park where the State has relinquished jurisdiction to the

Federal Government. The courts have held that this area is "Indian country" in which the federal and tribal criminal laws apply, not State law.

In addition, the proposed regulations would deny any BIA law enforcement assistance to the 76,800-acre federal Miccosukee Reservation and to the approximately 189,000-acre "leased area" which under the Florida Indian Land Claims Settlement Act of 1982 is to be treated as a federal Miccosukee Indian reservation in determining BIA eligibility for law enforcement assistance. See 25 U.S.C. § 1745(b).

Both the federal reservation and the leased area are large, sparsely populated, isolated tracts of Everglades wetland and prairie in which little, or no, effective State law enforcement is present and in which the Tribe has significant law enforcement obligations with respect to the protection of its members, its property, non-Indian recreational users of the area and tribal economic enterprises.

We respectfully request that the Congress provide in the FY 1988 appropriation that no funds shall be used by the Bureau to deny financial assistance for law enforcement to a federally-recognized Indian tribe solely on the ground that such tribe is located in a State which exercises jurisdiction under P.L. 280.

We strongly oppose the Bureau's proposal to fund the contract support costs of all tribal contractors under P.L. 93-638 at 15% of direct costs without regard to actual overhead requirements established in negotiations. The percentage of legitimate overhead needed to support a contract program varies widely dependent on many factors (especially size of contract). The 15% fee would severely underfund many contractors, close down many small contractors, and provide more overhead for some tribes than they need. Our Finance Office advises that we would not be able to continue the operation of our BIA contract programs if this proposal goes into effect.

We strongly support a return to the full funding of reasonable overhead costs of 638 contracts annually negotiated in accordance with the funding level requirements of section 106(h) of P.L. 93-638. We urge that you question the Bureau closely to determine the amount needed for such costs and fully fund these needs so that the underfunding of negotiated 638 indirect costs which many tribes have experienced will not recur. At a minimum the Bureau should be compelled to honor the commitments it made when the "grandfathering" of contract support was established in 1985.

We support the Bureau's request for $3.2 million to cover additional salary costs calculated at 3% of gross salaries for employees of tribal contractors. This amount is needed to comply with section 106(h) of P.L. 93-638 since Bureau employees have received a 3% raise. We also support the inclusion of funds for the 3% raise for federal employees and tribal contractors in the supplemental appropriation for FY 1987 passed by the House Committee on Appropriations and urge this Committee to include such funds in its version of this legislation.

In addition, we note that some Bureau employees will receive increased retirement benefits under the new Federal Employees Retirement System (FERS). We believe that P.L. 93-638, section 106(h), requires that the Bureau increase the funding levels of "638" contracts in amounts in proportion to the Bureau's increased program costs due to FERS, and we ask the Committee to appropriate funds sufficient to meet this need.

We have serious questions about the new program of "Self-Help Activity" for Indian welfare recipients, which the Assistant Secretary says is not "workfare." We have not been given enough information on this initiative to criticize it intelligently or to endorse it. We recommend that it be deferred until the Bureau can explain what it has in mind.

We are concerned as to how the reduction of $8.9 million in facilities management will impact the Bureau's ability to adhere to health and safety standards in schools and other facilities. We also question the Bureau's plan to allocate facility maintenance funds based on the number of children per school. Obviously, the cost of adequate maintenance of a facility is related to square footage, isolation, weather conditions and other factors not necessarily reflected in enrollment. We have not been able to determine from the Bureau just what its plans are, and the budget request itself is unclear on the point.

We note that the Bureau has requested funds for a study "related to the identification of criteria and methods for determining equity in the allocation of Bureau of Indian Affairs funding among the tribes it serves." We ask that, if the Committee approves this request, it require that the study include maximum tribal participation and that your Committee monitor the development of such methods closely to ensure that they are, in fact, equitable.

We are concerned with the proposal to continue many BIA programs in subactivities entitled "tribe/agency operations." While some may consider that this approach increases tribal flexibility to use these funds, we fear that we will find it much more difficult in the future to demonstrate specific needs to the Congress as we have been able to do in the past in such categories as law enforcement and natural resources development. We believe that it will be fairer to tribes and encourage accountability to the Congress to continue the designation of the purpose of the BIA funding as at present. We also fear that tribe/agency funding might be viewed by BIA as a huge block grant type program subject to routine budget cuts.

Similarly, we oppose the Bureau's request to remove the reprogramming ceiling. While the Bureau argues that greater flexibility is needed in order to respond to tribal requests, it does not state that it will limit use of reprogramming authority to tribally initiated actions. The Bureau could exercise any enhanced reprogramming authority to implement its own policy decisions.

The Miccosukee Tribe voices its strong objection to the Administration's proposal (announced in February) to limit the BIA housing improvement program to the rehabilitation of housing for elderly and handicapped people. The Administration has requested $14.3 million for HIP but proposes to ignore the need (established in BIA's housing inventory) for 52,700 new housing units on Indian reservations for 35,600 Indian families. The Miccosukee Tribe receives housing assistance only from BIA. Because of the unusual land status of our community in the Everglades National Park we have not been able to participate in the HUD program. While we appreciate the HIP assistance we have received in the past, we have a continuing need to provide safe and sanitary housing for low-income families with young children.

INDIAN HEALTH SERVICE

We urge that the Congress reject the proposed program decrease of $58 million in the hospitals and clinics program within the Indian Health Service. IHS has presented no evidence

-- nor do we know of any -- to support its position that this reduction will be achieved through "economies throughout IHS" without a serious adverse impact on the health of Indian people. The decreases proposed for the dental, mental, and alcoholism programs could not be met by cost savings either, and would also result in reductions in services. Our health program at Miccosukee would presumably bear the direct impact of these reductions.

The proposed decreases to these programs are especially burdensome in view of the current implementation of the IHS of the Resource Allocation Methodology (RAM). According to RAM, these programs were funded in FY 1986 at about 86% of what RAM conservatively identifies as "need." If IHS's budget request were enacted, the average funding level would be cut further to about 75%! We request that the Committee reject the proposal to cut these programs, and that they at least be funded at the level necessary to ensure continuation of the FY 1986 level of services.

While we support the concept of a more equitable distribution of IHS resources, we question the FY 1987 IHS proposal to reduce the funding of underfunded service units by 2% in order to raise the funding of more seriously underfunded service units. We believe that adequate funding for all service units should be the goal, rather than equally inadequate funding. We therefore call for a congressional appropriation for an equity fund to meet the goals of full and equitable funding without requiring reductions in programs that are funded "above average."

We further urge that the Congress require the Indian Health Service to honor negotiated contract budgets. Once a contract is negotiated and a tribal contractor has commenced contract performance, IHS should not cut the contract amount to make distributions to other programs (as it is now attempting to do in FY 1987 and proposes to do in FY 1988 under the Indian Self-Determination Memorandum 87-1, issued last month).

The Contract Health Care budget has been slashed by $47.4 million below the current level. IHS attempts to justify this decrease by supposed cost savings to be achieved through its new policy of requiring contract care providers to accept reimbursements at a level not exceeding the amount allowed by Medicare for similar services, although it admits that some providers have refused to deal with IHS on a reduced fee basis. In fact, IHS even admits that "any estimate of cost or cost savings would be unsupportable at this time."

The budget request describes a "broad focus" in strengthening Indian self-determination activities, and announces the IHS's goal to have tribal organizations administer 75% of IHS hospitals and clinics by 1998. The amounts requested for self-determination activities suggest, however, that the Administration does not, in fact, place a high priority on the encouragement of self-determination in Indian health. It requests only $2.5 million for the administrative costs of "638" contracts, which we believe to be inadequate, and proposes to limit this account to new contracts even though the administrative costs of many existing contracts are underfunded. We request that the Committee determine and fully fund the actual amount needed for these costs. In addition, the IHS requests only $749,000 for tribal management, a decrease of nearly $2 million from current funding. We request that the Committee fund this program at the current level.

We are shocked at IHS' denial that Congress provided it in FY 1987 with a $2.5 million increase to pay such 638 indirect costs. The legislative history of the FY 1987 appropriation

clearly establishes the existence of these funds. While we have asked the IHS Director in writing to explain where they are, we have received no response. Where are they?

We are concerned that the IHS has not requested funds to increase funding of tribal "638" contracts by an amount equal to the 3% pay raise granted to IHS employees, as mandated by P.L. 93-638, Section 106(h). We ask that the Committee appropriate the funds necessary to ensure compliance with section 106(h). In addition, as discussed earlier, we believe section 106(h) also requires an upward adjustment in the funding of "638" contracts due to FERS.

We disagree with the Administration's proposal that the Indian Health Service appropriation remain available until expended, and that Medicare and Medicaid funds remain available for three years. Although the IHS requests these changes for "greater management flexibility and efficiency," we are concerned that the changes would allow IHS to reduce annual expenditures for Indian health without having a rescission or deferral approved by Congress. Viewed in the context of the proposed budget cuts, this proposal appears especially insidious.

We also disagree with the proposal to merge the facilities appropriation with the services appropriation, and to fund facilities at only $2,450,000, for modernization and repair only. We believe that the FY 1987 funding level for facilities construction should be maintained in order to continue to eliminate the backlog of the health facilities needed by the Indian people. We oppose merging the two appropriations because it would allow IHS to use facilities funding for services without an appropriation transfer.

DEPARTMENT OF EDUCATION

We urge the Committee to disapprove the Department of Education's proposal to shift $640,000 from the Part A grant program for Indian-controlled schools to the Part A grant program for local educational agencies. This proposal would reduce the average grant to tribal contract schools by over $100 per pupil. The reasoning behind the proposal is badly flawed. It assumes that 7,000 students now at BIA schools will attend tribal contract or public schools next year, which is highly improbable; the Bureau has not even submitted its school transfer proposal to Congress yet. The proposal also cites recent studies for the proposition that contract schools receive higher per-pupil revenues than public schools, without noting that the studies identified valid reasons for the higher costs -- most notably, isolation, small class size (and consequently, low pupil-teacher ratio), small school size (and consequently, low pupil-administrator ratio), and that most contract schools are stand-alone schools.

Thank you for the opportunity to present the views of the Miccosukee people on these matters of vital concern to us.

STATEMENT OF DR. JOHNSON BIA, PRESIDENT, CROWNPOINT INSTITUTE OF TECHNOLOGY

The Crownpoint Institute of Technology (CIT) respectfully requests continued designation as a separate line item appropriation under U.S. Department of Interior, Bureau of Indian Affairs, Economic Development and Employment programs, Adult Vocational Training in the amount of $1.5 million to sustain the Institution and meet the growing needs of providing quality vocational/technical education. Specific areas include: 1) facilities maintenance, 2) tool and equipment acquisition, 3) instructional improvement, and 4) expansion of the learning resources center. A detailed list is provided for each area.

CIT is a modern $14 million, multi-unit structure constructed in 1979 by the Federal Government's U.S. Department of Commerce Economic Development Administration. CIT is a Post Secondary Vocational Technical Institute which is open to serve whoever is able to pay tuition and related expenses. CIT has a waiting list of 175 prospective students, and other tribes have expressed interest in sending their students to CIT. CIT currently offers training programs in the following 12 areas:

- Architectural Drafting
- Culinary Arts
- Sheet Metal
- Electrical
- Secretarial Science
- Accounting
- Surveying
- Masonry
- Cabinet Making
- Carpentry
- Plumbing
- Heavy Equipment

CIT also operates projects in Adult Education, Bilingual Education, Women's Educational Equity, and Law-Related Education.

A recent research by the CIT Planning Office and confirmed in our surveys of area businesses and industries indicated the need for additional training programs in:

- Power Plant Technology
- Electronics/Instrumentation
- Range/Livestock Management
- Medical Technology
- Paralegal

CIT has received licensing by the State of New Mexico, approved by Veteran's Administration, approved for Pell Grants and is expected to receive full accreditation by the North Central Association of Colleges and Schools this year. These achievements demonstrate the high quality of instructional offerings.

CIT's request for line-item appropriation is based on CIT's track record, its continued quality offerings and anticipated growth. CIT currently serves 130 students in its regular programs and an additional 300+ part-time students through its community oriented programs. CIT's known placement rates for the past several years are:

CIT Known Placement Rates

1980	39%
1981	38%
1982	22%
1983	-
1984	65%
1985	73%
1986	73%

CIT conducted a follow-up survey of all 1986 graduates by mail from last known addresses. Of the 85% who responded, 73% were employed. Indications are that many, if not all, of the non-responding 15% have moved to other locations for meaningful employment.

Other facts and statistics for CIT include:

- CIT offers intensive training programs for eleven months at a rate of 36 contact hours per week. Nearly all CIT students complete the program. The average retention rate to completion is 80%. Another 8% took jobs in their skill area prior to completion. Positive termination is 88%.

- The average entry level salaries for CIT graduates range from $8,507 in Culinary Arts to $19,614 in Plumbing. Each CIT program entry level salary is identified in Appendix A.

- The average yearly taxes paid by each CIT graduate in entry level occupations are $1,452 in Culinary Arts and $3,012 in Plumbing (Appendix A).

- The lowest cost of maintaining a family of four whose head of household is unemployed is $10,944 (Appendix B).

- As an aggregate, the 1987 CIT graduating class can be expected to pay approximately $460,312 in taxes next year (Appendix C).

The following information is provided to clarify the BIA 1986 Capability Statement and answers to this Committee's questions to BIA regarding CIT funding (Appendix D and E).

- CIT is not a Navajo Tribal Program and does not come under the tribal priority system.

- CIT's GED program is a community service program ancillary to the main purposes of CIT.

- The State of New Mexico provides only $40,000 yearly. It covers the cost of CIT's student counseling.

- BIA/AVT funds only 5 students and covers only 70% of the actual costs.

- Pell Grants cover the expenses for meals and commuting which varies between $100 to $1,200 per student per year.

- CIT has established eligibility for Veterans Administration Assistance (1986), but as yet has no Veterans enrolled.

- New Mexico Employment Security in the past has funded the retraining of 5 displaced uranium workers.

The outlook for CIT can be characterized as ambitious, innovative, and closely tied to economic activities in the geographic area. A five-year plan recently developed by the CIT Board of Directors outlined a close working relationship with businesses and industries. We have also established a research and planning component of CIT to conduct and compile data on occupational demands, program evaluation, and follow-up studies.

The overall CIT plan is to tie into the initiatives to get people off welfare and into the work force. Continued growth and expansion is anticipated for CIT. However, in order for CIT to offer high quality educational programs, it must receive adequate funds to meet the expanding needs. The investment of this committee into that future will be greatly appreciated. Thank you.

STATEMENT OF JOE AMERICAN HORSE, CHAIRMAN, OGLALA SIOUX TRIBE

Mr. Chairman, Thank you for the opportunity to present the views of the Oglala Sioux Tribe on the Administration's budget requests for fiscal year 1988 for the Bureau of Indian Affairs, the Indian Health Service and the Indian programs of the Department of Education. I will be as concise as I can in view of the major issues raised by the President's proposals.

Assistant Secretary Swimmer's proposal to turn our BIA-operated schools on the Reservation over to the State of South Dakota unless the Tribe agrees to operate the schools under Public Law 93-638 has caused consternation on the Pine Ridge Reservation. We have a number of schools on the Reservation now being operated successfully by local elected Indian school boards as authorized by the Tribal Council. We favor P.L. 93-638 when the Tribe and the local Indian community wish to utilize the opportunities for self-determination which it offers, but we reject its use as a club to threaten us if we refuse to go along with the new Swimmer Doctrine of phasing BIA out of education.

We had always understood that tribes set the pace of self-determination and that we would not be forced to contract. Indeed, we have relied on the regulations of the Secretary of the Interior, which state: "Nothing in these regulations shall

be construed to mandate a tribe to apply for a contract or contracts with the Bureau to plan, conduct, and administer all or parts of any Bureau program. Such applications under these regulations are strictly voluntary."

We have not sanctioned tribal contracts for certain schools on our Reservation because we respect the wishes of the people in those communities that the Bureau should continue to operate those schools. We have asked Mr. Swimmer for a commitment not to turn the schools over to the State without tribal approval. He has refused to give us such a pledge but has promised to consult before "any unilateral action." He promised in January to meet with our Council to discuss the education initiative but he has not yet done so.

We urge that the Congress require that the Bureau obtain the consent of the affected tribe or tribes before turning any school over to State government.

While we are being urged to contract education, the Bureau is pushing forward with its ill-conceived proposal to pay all contractors under P.L. 93-638 a flat 15% fee without regard to actual overhead requirements established in negotiations. The percentage of legitimate overhead needed to support a contract program varies widely dependent on many factors (especially size of contract). The 15% fee would severely underfund many contractors, close down many small contractors, and provide more overhead for some tribes than they need. We question whether the new "Small Tribes" program will address (as BIA claims it would) the impact of the 15% fee for small 638 contractors. Some large tribes are "Small contractors" and many "Small Contractors" are tribal school boards, not tribes, and so would not be assisted by the "Small Tribes" program.

We strongly support a return to the full funding of reasonable overhead costs of 638 contracts annually negotiated in accordance with the funding level requirements of Section 106(h) of P.L. 93-638. We urge that you question the Bureau closely to determine the amount needed for such costs and fully fund these needs so that the gross underfunding of negotiated 638 indirect costs will not recur.

We urge elimination of the moratorium on the mandatory school funding requirements of section 1128(b). For many years the Bureau failed to correct (or to bring to our attention) the fact that schools on our reservation are underfunded due to the Bureau's failure to comply with this section which places a mandatory floor on school funding. Then in FY 1986, when the facts came out, the Bureau successfully lobbied for a moratorium on the requirement. Congress required the Bureau to report on this matter by February 1, 1987, but it has not done so. We ask that your Committee and the Congress ensure that our Oglala Sioux children receive the educational benefits which have been denied them for almost ten years due to the Bureau's failure to comply with Section 1128(b) and the Interior Department regulations thereunder (25 C.F.R. § 39.17).

We also object to the failure of the Bureau to request funds for the continuation of anti-drug programs established by the Anti-Drug Abuse Act of 1986. We have a serious alcohol and drug abuse problem on our reservation. It cannot be addressed by using "ISEP" education funds as proposed by the Bureau without drastically curtailing educational opportunities for our children (as the Bureau well knows). We are shocked that the Bureau is requesting no funds for the much-needed half-way house construction program authorized by the 1986 Act.

We are pleased to see that the budget includes funds earmarked for pay increases at 3% for 638 contract employees. We ask that your Committee approve these funds and monitor the Bureau to assure that tribal contracts are, indeed, adjusted to include the increase.

We have serious questions about the new program of "Self-Help Activity" for Indian Welfare recipients, which Mr. Swimmer says is not "workfare." We have not been given enough information on this initiative to criticize it intelligently or to endorse it. We recommend that it be deferred until the Bureau can explain what it has in mind.

With respect to the Bureau's Law Enforcement budget, we call your attention to the fact that the Bureau has retained and is paying BIA employees some $127,000 which was allocated for our Tribe's law enforcement program out of the FY 1985 increase. We have been forced to file an administrative appeal which is still pending on this matter. We have asked our attorneys to provide you with the details. Bureau records and the legislative history of these funds make clear that the Bureau is violating the congressional intent by withholding these funds over tribal objections.

We urge that the increase in tribal court funding be approved and request that $128,000 be earmarked for the Oglala Sioux Tribal Court for training of tribal court personnel, jury trials, the hiring of two additional prosecutors, and the development of a civil rights code.

We note that the budget request includes $3.6 million for land records improvement, an increase of $2 million, and $1.6 million for the land titles and records offices, an increase of over half a million dollars. We know from our own experience with the Bureau's land records that these increases are badly needed. A March 1986 report of the Interior Inspector General detailed gross negligence on the part of the Bureau in managing our lands (and those of other tribes in the Aberdeen area), including failure to collect rents, failure to adequately advertise leases, failure to lease leasable land, failure to renew leases promptly, and payment of rent to the Treasury or to former landowners instead of to the tribe. In addition, our auditors have discovered that the Bureau has purchased some lands for the tribe more than once. We are currently suing the government for this mismanagement, and our attorneys estimate possible damages in the millions of dollars. We ask that this Committee ensure that the increases are sufficient to provide for proper management of our lands consistent with the government's trust responsibility.

We strongly endorse the request by Oglala Lakota College for $1,440,000 to fund 80% of the construction of the combined Learning Resource Center, the Audio-Visual Center, and Oglala Lakota Archives. The construction of this center is crucial to the economic, social and educational advancement of the Lakota people. The need for this facility is more fully explained in the college's statement.

We are concerned as to how the reduction of $8.9 million in facilities management will impact the Bureau's ability to adhere to health and safety standards in schools and other facilities. We also question the Bureau's plan to allocate facility maintenance funds based on the number of children per school. Obviously, the adequate maintenance of a facility requires certain expenditures which are related to square footage and other factors not necessarily reflecting enrollment. We

have not been able to determine from the Bureau just what its plans are, and the budget request itself is unclear on the point.

We object to the $5,000,000 cut in the BIA housing program and the limitation of the program to rehabilitation. Although rehabilitation may work in the cities, where there are many existing vacant housing units, there is a critical shortage of housing in Pine Ridge which can only be met through the construction of new housing.

We urge this Committee to disapprove of the Administration's request to reduce the amounts which Congress has already appropriated for construction of Pine Ridge Hospital from $11,037,000 to $1,168,000 through a rescission of $8,192,000 and a transfer of $1,677,000 to the Indian health services appropriation to fund pay raises and retirement benefits for federal employees. The need for this project has already been fully justified. We respectfully urge the Congress to monitor the Administration's performance closely to ensure that it proceeds with the project as Congress intends.

We deplore the general reductions in hospitals and clinics ($58 million) and contract health care ($47 million). These proposed cuts undercut the credibility of the IHS leadership which has been telling tribes all over the country that the revision of the Resource Allocation Methodology is not preparatory to budget cuts. We find it hard to continue to work cooperatively on health planning with IHS when its statements as to what is happening or about to happen so frequently turn out to be wrong. The statement that these drastic reductions can be handled through "achievements of economies throughout the IHS" is absurd. They obviously represent an abandonment of federal responsibilities for Indian health.

The IHS, like the BIA, has encouraged tribes to contract health programs without providing the administrative funds necessary to prevent contracting from resulting in a decline in funds available for services. In this budget the IHS requests only $2.5 million for 638 administrative costs -- limited to new contracts -- although in testimony last year IHS witnesses conceded that many existing 638 contractors have not been adequately funded for their overhead costs. Similarly, IHS requests only $749,000 for "tribal management," which is intended to assist tribes in assuming 638 responsibilities.

We are watching with interest the plans of the IHS to revise its Resource Allocation Methodology, and we support the concept of a more equitable distribution of IHS resources. The only concrete step to implement RAM taken by IHS in FY 1987, however, is the reduction of allocations to all IHS areas by two percent from 1986 levels. Although IHS states that some of the two percent withheld by Headquarters will be used to create an "equity fund" for distribution according to RAM, it has also taken the position that the reduction is necessary because Congress did not appropriate enough money in FY 1987 to maintain the FY 1986 levels. IHS officials have informed our representatives that Congress was mistaken in identifying $25 million in the FY 1987 appropriation as being sufficient to maintain the 1986 base funding level. We ask that you look closely at this matter and make clear that increases provided in FY 1988 are from the FY 1986 level which has been fully restored.

We are also puzzled by the third explanation given for this 2% fund -- that it is to be retained by IHS Headquarters for physician recruitment and the nationwide medical survey. We wonder why funds were not separately appropriated for these

programs without reducing health services at the reservation level.

We urge the Committee to disapprove the Department of Education's proposal to shift $640,000 from the Part A grant program for Indian-controlled schools to the Part A grant program for local educational agencies. This proposal would reduce the average grant to tribal contract schools by over $100 per pupil. The reasoning behind the proposal is badly flawed. It assumes that 7,000 students now at BIA schools will attend tribal contract or public schools next year, which is highly improbable; the Bureau has not even submitted its school transfer proposal to Congress yet. The proposal also cites recent studies for the proposition that contract schools receive higher per-pupil revenues than public schools, without noting that the studies identified valid reasons for the higher costs -- most notably, isolation, small class size (and consequently, low pupil-teacher ratio), small school size (and consequently, low pupil-administrator ratio), and that most contract schools are stand-alone schools.

Mr. Chairman, the Oglala Sioux Tribe deeply appreciates your interest over many years in the welfare of Indian people. We need your support and interest this year more than ever.

SUPPLEMENTAL STATEMENT

Mr. Chairman and Members of the Committee, with your permission, I wish to supplement the statement I submitted to the Subcommittee on April 9, in order to provide an update on the condition of the Pine Ridge High School, a matter which has attracted this panel's attention in the past. I wish I could tell you the physical condition at this BIA-operated school has improved, but I cannot. In fact, it is much worse, and continues to deteriorate daily. These two 50-year old buildings are in such a state of disrepair that last year the BIA safety inspector described them as posing "serious life safety hazards" to the students enrolled there. In May 1985, a 10th-grade girl lost a finger from her right hand after catching a ring on the remains of a worn-out door closing device. It is only through good fortune that other students have not received injuries in these facilities.

A few years ago, Pine Ridge High (formerly called Oglala Community School) finally made it to the top of the BIA new construction priority list. For reasons our Tribe has never understood, however, it was removed from this list. Instead, Congress appropriated money for improvements and repairs. In the summer of 1985 BIA spent $1.6 million to renovate non-high school buildings that are part of

the campus (for example, the bus garage, stadium, etc.), but only $350,000 was allocated for emergency repairs to the school buildings themselves.

During the past year, the high school has had to close its auditorium (because the ceiling fell in), and its library and several classrooms because they were unsafe for use. Two dormitory wings had to be converted into classrooms. This not only displaced a large number of boarding students, but also resulted in classes being conducted in facilities designed for bedrooms. The library had to be relocated in the auditorium lobby.

We do not believe it is worthwhile -- or fiscally wise -- to appropriate more funding to try to renovate these worn-out and hazardous school buildings. Rather, we earnestly hope the Subcommittee will recognize that construction of a new school is the only reasonable way to provide these students with a safe and healthy environment that is conducive to learning. It is also the only reasonable way for the federal government to discharge its trust responsibility to educate our Indian children.

We urgently request the Subcommittee to endorse the recommendation of the Senate Select Committee on Indian Affairs that $420,000 be added to the F.Y. 1988 BIA construction budget for planning and design of a new high school building at Pine Ridge. */

The Tribe is preparing a comprehensive information package for the Subcommittee which will include the prior studies conducted for the Pine Ridge School Board and the BIA on this facility. We will also include photographs in order that the Subcommittee can see the sorry condition of this building. We will supply it to you as soon as it is compiled.

I thank you on behalf of the Oglala Sioux Tribe and the Pine Ridge High School students.

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*/ See February 1987 Report to the Budget Committee from the Senate Select Committee on Indian Affairs.

STATEMENT OF HARRIS ATKINSON, MAYOR, METLAKATLA INDIAN COMMUNITY

Mr. Chairman, my name is Harris Atkinson. I am Mayor of the Metlakatla Indian Community, an Indian tribe organized under section 16 of the Federal Indian Reorganization Act, which owns and occupies the Annette Islands Indian Reservation established by the Act of Congress of March 3, 1891. I appreciate the opportunity of presenting the views of the Community on the Administration's budget request for FY 1987 for the Bureau of Indian Affairs and the Indian Health Service.

Our principal concern is adequate funding for health programs for our people. The IHS operates a small service unit on our reservation. In addition, the Community operates, under contract with IHS, a community health aide program, an emergency medical service program, a health education program, and an alcoholism program. The service unit currently has a budget of about $800,000, far below the "rock bottom budget" identified by the IHS to be $1,046,000 several years ago, and less than half of the $1.9 million identified as the need for full funding of the service unit according to the December 1985 version of the Resource Allocation Methodology (RAM). The Community Council has recently voted to assume operation of the service unit under a P.L. 93-638 contract. Our ability to operate the service unit, however, is dependent upon adequate funding. Our Council has voted to contract the service unit for no less than $1.4 million, substantially below our funding need according to RAM.

The Administration's budget proposal for Indian health threatens our goal of operating the service unit under a "638" contract, and jeopardizes the health of our people. We are shocked and saddened by the proposed program decrease of $58 million in the hospitals and clinics program. IHS has presented no evidence -- nor do we know of any -- to support its position that this reduction will be achieved through "economies throughout IHS." Nor can our service unit -- already seriously underfunded -- sustain reductions in travel, transportation and the purchase of equipment and supplies as proposed by IHS. The decreases proposed for the dental, mental, and alcoholism programs could not be met by cost savings either, and would also result in reductions in services.

The proposed decreases to these programs are especially unconscionable when viewed in relation to the Resource Allocation Methodology (RAM). According to RAM, these programs were funded in FY 1986 at about 86% of what RAM conservatively identifies as "need." If IHS's budget request were enacted, the average funding level would be cut further to about 75%! We request that the Committee reject the proposal to cut these programs, and that they be funded at the level necessary to ensure continuation of the FY 1986 level of services.

We are watching with interest the development of RAM by IHS. We support the concept of a more equitable distribution of IHS resources which we believe will help us obtain full funding for our service unit. In the current year, IHS has created a $7 million "equity fund" for distribution according to RAM by withholding 2% of each area's base funding. We question how equity can ever be achieved with such small adjustments, and we believe that adequate funding for all service units should be the goal, rather than equally inadequate funding. We therefore call for a congressional appropriation for an equity fund to meet the goals of full and equitable funding.

Perhaps most cynical and unsupportable is the Administration's proposal to slash the Contract Health Care budget by $47.4 million below the current services level. IHS attempts to

justify the decrease by supposed cost savings to be achieved through its new policy of requiring contract care providers to accept reimbursements at a level not exceeding the amount allowed by Medicare for similar services, while admitting that some providers have refused to deal with IHS on a reduced fee basis. In fact, IHS even admits that "any estimate of cost or cost savings would be unsupportable at this time."

The budget request describes a "broad focus" in strengthening Indian self-determination activities, and announces the IHS's goal to have tribal organizations administer 75% of IHS hospitals and clinics by 1998. The amounts requested for self-determination activities suggest, however, that the Administration does not, in fact, place a high priority on the encouragement of self-determination in Indian health. It requests only $2.5 million for the administrative costs of "638" contracts, which we believe to be inadequate. We request that the Committee determine and fully fund the actual amount needed for these costs. In addition, the IHS requests only $749,000 for tribal management, a decrease of nearly $2 million from current funding. We request that the Committee fund this program at the current level.

We are pleased that, for the first time, the Administration has requested funding for the Community Health Representative (CHR) program. We disagree, however, with the proposal to gradually "phase-over" funding of the program "to other funding sources within the IHS" if the phase-over would result in a decrease for the CHR or other programs, as we suspect it would. We also urge the Committee to reject the reprogramming of FY 1987 CHR funds and to fund the program in FY 1988 at the level necessary to maintain the current level of services. In addition, we request that funding for preventive health be increased by $2.1 million in order to maintain the current level of services.

We disagree with the Administration's proposal that the Indian Health Service appropriation remain available until expended, and that Medicare and Medicaid funds remain available for three years. Although the IHS requests these changes for "greater management flexibility and efficiency," we are concerned that the changes would allow IHS to reduce annual expenditures for Indian health without having a rescission or deferral approved by Congress. Viewed in the context of the proposed budget cuts, this proposal appears especially insidious.

We also disagree with the proposal to merge the facilities appropriation with the services appropriation, and to fund facilities at only $2,450,000 for modernization and repair only. Like many tribes, the Community is in need of a new facility. We believe that the FY 1987 funding level for facilities construction should be maintained in order to continue to eliminate the backlog of the health facilities needed by the Indian people. We oppose merging the two appropriations because it would allow IHS to use facilities funding for services without an appropriation transfer.

We are concerned with the proposal to continue many BIA programs in subactivities entitled "tribe/agency operations." While some may consider that this approach increases tribal flexibility to use these funds, we fear that we will find it much more difficult in the future to demonstrate specific needs to the Congress as we have been able to do in the past in such categories as law enforcement and natural resources development. We believe that it will be fairer to tribes and encourage accountability to the Congress to continue the designation of the purpose of the BIA funding as at present. We also fear that tribe/agency funding might be viewed by BIA as a huge block grant type program subject to budget cuts; we note that the

Bureau has proposed to transfer $287 million to tribe/agency but to fund it at only $274 million, a decrease of $13 million (4.5%).

Similarly, we oppose the Bureau's request to remove the reprogramming ceiling. While the Bureau argues that greater flexibility is needed in order to respond to tribal requests, it does not state that it will limit use of reprogramming authority to tribally initiated actions. The Bureau could exercise any enhanced reprogramming authority to implement its own policy decisions.

We support the Bureau's proposal to "ungrandfather" indirect costs, but oppose its proposal to fund such costs at a flat administrative fee equal to 15% of direct costs. The implementation of Metlakatla's grandfathered indirect cost amount has been flawed. The Bureau initially computed the Community's grandfathered amount at nearly $50,000 below its entitlement. While the mistake was corrected in FY 1985, the Bureau has failed to make the necessary adjustments to the Community's base allocations. The proper grandfathered contract support amount was added to our FY 1986 contracts only after we filed a protest on the matter, and this year we were forced once again to file a protest, which is still pending. We oppose the proposal to fund indirect costs at a 15% fee because it would not take into account differences between tribal contractors, and would be insufficient to fully fund our indirect costs (which generally equal about 18% of our direct costs). Furthermore, we believe that it is contrary to section 106(h) of Public Law 93-638. We request that the Committee fully fund actual contract support costs.

The Bureau proposes a new program to provide financial assistance to small tribes such as ours. The new program would replace the existing small tribes' core management grants and self-determination grants programs, and would also "help ensure that small tribes are not precluded from contracting for the operation of Bureau programs as a result of new regulations governing contract support payments." We doubt that the new program would be able to make up for the shortfall in indirect costs due to the Bureau's administrative fee proposal, especially since it is also intended to replace two existing programs.

We support the Bureau's request for $3.2 million to cover additional salary costs calculated at 3% of gross salaries for employees of tribal contractors. This amount is needed to comply with section 106(h) of P.L. 93-638 since Bureau employees have received a 3% raise.

We are pleased that the Bureau has requested an increase of $1 million for tribal courts, and request that $25,000 of this funding be earmarked for the Community in order to pay for the additional part-time personnel necessary to implement new court procedures required by Community ordinances, as follows: appellate magistrates ($5,000); prosecutor ($10,000); spokespersons for defendants ($10,000).

We oppose the Bureau's proposal to phase in the equal per pupil distribution formula for Johnson-O'Malley (JOM) funds. The proposal is unfair to Alaska, where average per pupil cost is 2.31 times the national average, as noted in the Bureau's budget justification. In addition, 13 Alaskan tribes were excluded from the vote by which the new formula was adopted by a 7 vote majority.

We are pleased that, for the first time, the Bureau has included in its request for fish hatchery operations the amount added to the base by Congress in 1985.

We oppose the cuts to the forest development program. The reforestation program should be funded at the current level to continue elimination of the backlog. We ask that the Committee disapprove of the proposal to reduce the timber sales programs by $2.5 million resulting from a reduction of timber sales with "only the most profitable sales going forward." We fear that this proposal could effect our ability to sell timber. We also question how the Bureau will measure profitability, an issue not discussed in its request.

We object strongly to the Bureau's proposal to reduce appropriations for the timber sales program by $5 million and to offset the reduction by proposed administrative fee collections. The Bureau should continue its current practice of allowing tribes to use these fees for forestry activities.

We note that the Bureau has requested funds for a study "related to the identification of criteria and methods for determining equity in the allocation of Bureau of Indian Affairs funding among the tribes it serves." We ask that, if the Committee approves this request, it require that the study include maximum tribal participation.

The Bureau has announced an economic self-assistance initiative which will coordinate the general assistance, employment assistance, and housing improvement program. We do not oppose implementation of this initiative outside Alaska, but question how it would be applied to tribes in Alaska since we do not receive general assistance payments. We request clarification of how this initiative would apply, if at all, in Alaska.

We urge the Committee to object to the proposal to cut the housing improvement program (HIP) by $5 million, and to limit HIP funding to rehabilitation rather than construction. The proposal would reduce our HIP funding and prevent us from building adequate housing for our elderly people who need it but are not poor enough to qualify for HUD housing.

Mr. Chairman, I thank you for the opportunity to present the views of my people on the President's FY 1988 proposed budget for BIA and IHS.

STATEMENT OF CHARLES MURPHY, CHAIRMAN, STANDING ROCK SIOUX TRIBE

The Standing Rock Sioux Tribe appreciates this opportunity to present testimony on FY 1988 appropriations for the Bureau of Indian Affairs and the Indian Health Service. Please include this testimony in the record of the Subcommittee's hearings on these appropriations.

Bureau of Indian Affairs

Before commenting on specific line items, we would like to express our views on several "initiatives" that Assistant Secretary Swimmer has proposed as part of his overall budget package.

Proposal to transfer all BIA schools to either tribal or state control.

The Standing Rock Sioux Tribe strongly opposes Mr. Swimmer's proposal to force tribes to take over the BIA schools on their reservations or else transfer those

schools to state control. The United States has a trust responsibility, affirmed by the 1868 Treaty with the Sioux Nation as well as many other treaties, to educate Indian children. Wholesale abandonment of the BIA education programs would violate this responsibility.

Mr. Swimmer's proposal is also unfair on practical grounds. Under his proposal, the only way tribes could avoid having the states take over their BIA schools would be to take over the schools themselves by contract. However, deficiencies in the 638 contracting process make it virtually impossible for most tribes to operate their own schools. One of the major problems is indirect costs. Many tribal schools already receive insufficient allocations for indirect costs, and if the 15 percent flat fee proposed by Mr. Swimmer for indirect costs is adopted, this situation will become even worse.

Mr. Swimmer claims that his proposal would increase local control of schools. At Standing Rock, we feel that if the states took over the BIA schools, Indian parents' voice in school operations would be greatly reduced, not increased. We have public schools on the Reservation and have seen how the interests of Indian parents are short-changed. For example, in one large school district on the Reservation, there are no polling places in any of the Indian communities for school board elections. We do not want this sort of treatment to spread to more schools.

At the BIA schools at Standing Rock, we have tribal school boards. This system is not perfect, but it does give the Indian parents some measure of control over school operations. If Mr. Swimmer is really interested in increasing local control over the schools, he would work to give more autonomy and authority to the school boards.

Proposal to charge tuition at BIA post-secondary schools.

The Tribe strongly opposes the BIA's proposed tuition fee for students at BIA post-secondary schools. If students from Standing Rock had to pay these fees, many could not afford to attend. It is particularly unfair to make this proposal when the Administration is also proposing to greatly reduce other forms of federal aid for higher education.

"Workfare" proposal for the General Assistance program.

The BIA wants to include "workfare" requirements in its General Assistance program. The Tribe agrees that job training and actual job experience are valuable components of a welfare program. In fact, we have a Tribal Work Experience Program (TWEP) as part of the GA program.

However, we are concerned about the BIA's proposal because tribes have not been consulted, and the proposal simply has not been spelled out. We do not know which GA recipients the work requirements would apply to, whether such work requirements would be realistic, or what role job training would have in the program. In fact, we know virtually nothing, because the BIA has told us nothing. We are concerned that the BIA will implement a poorly conceived program and then seek to reduce the appropriation for General Assistance. We recommend that Congress direct the BIA not to implement the program until it has worked with tribes to fully develop the program.

BIA proposal to transfer management of tribal trust funds to the Mellon Bank.

Assistant Secretary Swimmer recently announced plans to transfer management of tribal trust funds to the Mellon Bank in Pittsburgh. Mr. Swimmer developed this plan with no tribal participation whatsoever. Although many tribes object strongly to the proposal, and others want much more information on the proposal before forming an opinion, Mr. Swimmer plans to forge ahead anyway. In fact, the BIA is already negotiating a contract with the Mellon Bank.

This is only the latest example of Mr. Swimmer's disturbing tendency to ignore tribal views on issues of major importance. This course of conduct is particularly outrageous when applied to tribal trust funds, which the federal government has a trust responsibility to manage according to the highest standards. Mr. Swimmer admits that the government has failed to carry out this responsibility, but instead of making the necessary corrections within the government, he wants to hand the funds over to the private sector. This is simply unacceptable.

The Standing Rock Sioux Tribe asks the Congress to direct Mr. Swimmer to halt negotiations with the Mellon Bank. If he wants the tribes to consider his proposal, he should prepare a full accounting of tribal trust funds, prepare a report for tribes on the problems in the BIA's current system of trust fund management, and explain the details of the Mellon Bank proposal. The tribes should then have the opportunity to review the accounting and work with the BIA to develop the best way of solving problems with trust fund management.

The Tribe is informed that in the supplemental appropriations bill for FY 1987, the House Appropriations Committee directs the BIA not to proceed with any of the above initiatives before taking certain steps to present those initiatives to Congress and to tribes. The Standing Rock Sioux Tribe strongly supports the House Committee's action and urges the Senate Committee to adopt the House language.

We now discuss several specific line items in the BIA appropriation.

The Tribe requests $2.01 million to enable it to complete the Eagle Unit Irrigation Project. Congress has endorsed this project, appropriating $1.8 million in FY 1985. The project is currently under construction. Project engineers indicate that an additional $2.01 million is required to irrigate all the project lands, which lie just west of the Grand River in Wakpala, South Dakota. The Tribe is proud of its progress in irrigation development. We are looking to the future for ways to use our irrigated agriculture to complement our cattle industry. But first we must complete the Eagle Unit. We urge the Committee to continue its support of Standing Rock's efforts to move forward with irrigation development.

The BIA proposes a $285,000 decrease for tribal community colleges. This decrease was supposedly dictated by tribal priorities. This is certainly not the case for the Standing Rock Sioux Tribe -- our community college is a high priority. Furthermore, we strongly object to the

BIA justifying the proposed cuts based on tribal priorities. No tribe wants to see any education program reduced.

Last year, Congress directed the BIA to make emergency repairs at the Standing Rock Community School. The BIA made a few repairs here and there, but the building is still in terrible condition. To put it simply, the building is crumbling. Defects needing immediate attention include cracks in the gym roof and defects in the elementary cafeteria causeway. We ask this Committee to direct the BIA to make the additional necessary repairs. We also want to be placed on the BIA's priority list for fullscale repairs and renovation. This facility must be overhauled or it will need to be replaced entirely.

The BIA has requested $1 million in additional funds for tribal courts this year. The Tribe supports this request, and asks that $60,000 of this amount be earmarked for Standing Rock. Our court system lacks a trained public defender and juvenile judge. Most of our criminal defendants cannot afford private lawyers, and we need to give them adequate representation. And, the absence of a trained juvenile judge makes it very difficult for the court to handle the large caseload of abuse and neglect and delinquency cases.

There has been severe tension over the years between Indians and non-Indian law enforcement officers in the city of McLaughlin, South Dakota. This is one of the largest communities on the Reservation, but it has a white majority, and Indians have experienced considerable discrimination. Several years ago, incidents between Indians and local law enforcement created so much controversy that a mediator from the Justice Department was called in. In an effort to ease tensions, the Tribe entered a mediation agreement for cooperation between McLauglin, BIA, and tribal law enforcement personnel. As part of that agreement, the Tribe agreed to furnish two individuals to serve as dispatchers and also guards at the McLaughlin jail.

We have funded these positions from our 638 contract for detention services, but now the BIA has taken $50,000 of the money we need for our contract and moved it to its own law enforcement program. We will now have to lay off at least one dispatcher/guard, and will be unable to fulfill our agreement with McLaughlin. This agreement, while not an answer to all our problems in McLaughlin, has helped assure that incidents involving Indians are handled appropriately. We ask this Committee to earmark $50,000 for our detention services contract.

Indian Health Service

The Administration has proposed deep cuts in the budget for the Indian Health Service. The proposed $20 million cut for hospitals and health clinics would mean a 12 percent decrease in services. Contract health care would be cut by $17 million, for a 24 percent decrease in services. There would also be significant cuts in alcohol programs, dental services, and tribal management. This Committee has done an admirable job of protecting the Indian Health Service over the past few years. We are confident that you will give Indian Health Service an increase that will at least allow it to keep up with inflation.

At Standing Rock, we are particularly concerned over the cuts in contract health because even without those cuts, we are facing a crisis. For the past several years,

our contract health costs have been increasing by $300,000 per year. These are all cases in categories 1 and 2, which are either emergencies or cases where medical care is clearly necessary. IHS must refer these patients to appropriate providers, but then cannot pay the bills. In Fiscal Year 1987, our contract care budget for categories 1 and 2 was $1 million short. This means $1 million in unpaid bills.

This will inevitably make it more difficult for our people to obtain needed medical care. When providers realize that their bills will be paid very slowly or not at all, they will begin to refuse Indian patients.

Many factors contribute to the high rate of contract care expenditures at Standing Rock. We have a severe problem in retaining physicians, which means that there is not enough experienced staff to handle certain cases. We also have many trauma cases, which require a level of staff and equipment not available at our service unit, and many high-risk obstetrical cases. Of 182 infants born to Indian parents at Standing Rock last year, 100 were high-risk cases that had to be handled in Bismarck. These cases cost a minimum of $3,500 each. If we had better equipment and staff at the service unit, many of these cases could be handled locally -- which would save money in the long run.

IHS claims that the proposed cuts in contract care are justified because it will save money by paying only the Medicare-approved rates. We are implementing the Medicare rates at Standing Rock, and we estimate that we will save $200,000 per year once the rates are in use by all providers. This will still leave us with an enormous shortfall in funds.

It is quite obvious that the contract care budget at Standing Rock needs a large increase, not a decrease. We ask the Committee to provide as large an increase as possible. We also ask the Committee to direct IHS to use a portion of the increase to pay back bills at Standing Rock and other reservations with large shortfalls.

The Administration did not propose eliminating the CHR program this year. However, it did propose a significant cut in that program. Also, we are informed that the new strategy is to "phase out" the CHR program over the next few years. Apparently the Administration thinks that tribes will not notice if they cut the funds little by little -- but they are wrong. We strongly oppose the proposed phase-down.

We simply cannot emphasize too strongly the importance of the CHR program on our Reservation. CHRs provide vital followup medical care and also health education. They are a vital communications link between our people and the medical staff at the clinics. Also, because funds for our emergency ambulance program are so inadequate, CHRs frequently pitch in to fill this need. In fact, IHS admits that without CHR assistance, many tribal ambulance programs would collapse. We ask this Committee to reject the proposed cut in the CHR program.

STATEMENT OF LARRY BURGESS, CHAIRMAN, CHITIMACHA TRIBE OF LOUISIANA

The Chitimacha Tribe is requesting an add-on of $678,000.00 to the Department of Interior's FY'88 Budget in order to establish a fair, equitable and recurring base from the Bureau of Indian Affairs. Since the Tribe has never been afforded adequate funds to address the immediate and future needs of our people, we are seeking a special appropriation which would enable the Tribe to create new programs designed to increase the education level of tribal members, protect our natural resources, provide municipal services, strengthen self-determination and attract other viable resources to enhance economic growth.

Your support in this effort is greatly appreciated.

STATEMENT OF JOSEPH B. DELA CRUZ, PRESIDENT, QUINAULT INDIAN NATION

The Quinault Indian Nation testimony before the House Interior Appropriations Subcommittee on the FY88 budget for the Bureau of Indian Affairs and Indian Health Service is enclosed for your review. This letter serves as a synopsis of our statement and requests.

Basically, the Quinault Indian Nation requests the following:

* Reject the BIA plans to impose a 15% administrative fee on P.L. 93-638 contracts, restore indirect cost appropriations to level of need, and allow resolution of the contract support fund issue through amendments to P.L. 93-638 in the 100th Congress

* Priority in appropriations considerations should be given to Tribal government operations, not the bureaucracies

* Oppose the BIA Tribe/Agency budgeting process, restore budget line items, and present clearer budget justifications in the future for both BIA and IHS

* Sustain Quinault fisheries program

* Provide $800,000 for Queets River hatchery in conjunction with Washington State funding of $1 million

* Support a $293,000 Sockeye spawning channel

* Support a $167,000 Sockeye habitat restoration project

* Provide $95,000 for Quinault Technical Management Coordination Center

* Restore U.S. Canada appropriations to FY87 level of $2.38 million

* Provide $225,000 to hatcheries O&M base for cyclical maintenance

* Increase support for Quinault National Fish Hatchery to Fish and Wildlife Service recommended level of $284,000 plus $80,000 for needed cyclical maintenance and vehicle replacement

* Restore $3.5 million proposed FY88 reduction in forest development funds

* Restore proposed FY88 reduction in Timber Sales Administration

* Prevent Timber Administration Fees from being used to offset cuts in Congressional appropriations, and oppose use of these Tribal funds by BIA Forestry Administrator

* Include instructive committee language to ensure that the Quinault Tribal Forestry Program and BIA Olympic Peninsula Agency are maintained at FY87 levels

* Provide $195,000 increase for Quinault law enforcement

* Provide $129,000 increase for Quinault judicial services

* Provide $150,000 to meet increasing social service caseload demands

* Support Indian Child Welfare appropriations to a level allowing all tribes to participate

* Maintain the Community Health Representative Program in IHS

* Restore drug abuse prevention/enforcement/rehabilitation funds

* Earmark $2.6 million from BIA road Construction or Highway Trust Fund accounts to relocate Queets River bridge in collaboration with Washington State

In general, the Quinault Indian Nation requests Committee and Congressional support for Tribal Government administration, program delivery services, and direct assistance to American Indian people.

STATEMENT OF DAVID M. GIPP, PRESIDENT, UNITED TRIBES EDUCATIONAL TECHNICAL CENTER

REQUEST

United Tribes Educational Technical Center is requesting a $2,100,000 appropriation for Fiscal Year 1988. This amount will provide the direct cost and contract support funds for the Center operations on this 105 acre campus. The appropriation is a line item in the Bureau of Indian Affairs, Department of Interior budget.

NEED

Since 1979, UTETC has experienced several reductions in the base direct operating budget. From the 1979 appropriation of $1.585, the successive budgets have been: 1980, $1.429 million; 1981, $1.338 million; 1982, $1.056 million; 1983, $1.056 million; 1984, $1.210 million; and 1985 $1.167 million. The 1985 appropriation represents a reduction of 26.4% over the 1979 budget. The F.Y. 1987 level of funding is $1.6 million which

includes direct budget (program) and contract support funds from the Bureau of Indian Affairs.

During the same periods, the cost of purchasing goods and services has risen sharply due to inflation and normal cost increases. As an example, the Center has experienced large increases in the cost of utilities since 1979. The cost for electricity has risen about 58% per unit while the per unit gas cost has increased approximately 57%. Over the years, the Center has for the most part been able to offset rate increases by implementing stringent conservation measures such as improved weatherization and reductions in building temperatures. However, it must be noted that consumption cannot be further reduced because of the location of the Center and the harsh winters of the northern plains.

In the area of staff costs, the average instructional salary has risen 29.6% from 1979 to 1985. This figure represents an annual salary increase of less than 5% per person. No increases are possible this year. While these increases have been minimal on a yearly basis, the net result is that the Center must spend more dollars to purchase competent instructional services. While the Center continues to serve essentially the same number of students, the salary costs and budget constraints have necessitated a 14% reduction in the prime contract staff. As a result of the reduction, adjustments have been made in the assignment of staff duties. In some departments, this meant that fewer staff people handle greater workloads. In other areas, the duties of departments that cannot be staffed have been reassigned toother personnel. Even though the staff has performed well under the increased demands, the net effect has been that less services are available to the student body. Further staff reductions may seriously jeopardize the Center's survival. For F.Y. 1987 no salary increases were possible.

The diminished funding for the Center has meant that funds for the replacement of worn out equipment and/or the purchase of new instructional materials have, for the most part, been unavailable. Increasingly, the lack of new equipment will seriously impact the quality of the vocational programs. The classroom materials used in vocational education must reflect the "state of the art" in the workplace. Failure to do so can jeopardize the adequacy of training and subsequent entry into the workforce.

Lack of available resources has also meant a limitation on the repair and maintenance of the physical facility. The facility occupied by the Center is the old Fort Lincoln Army Post. As such, other than the more recently constructed skills center, and part of the community center, the majority of the buildings are more than 80 years old. Continuing a course of nonrepair will ultimately prove more costly as the repairs will be greater.

Another area of great need is the campus streets. For the last eleven years, little or no repair has been possible. Given the deterioration from age and the traffic on Center, an independent engineering firm estimated the repair for the 3.1 miles of streets at $700,000. The Center is currently seeking alternate resources for street repair.

Historically the Center job placement rate for graduates has been 85%. Some graduates have developed their own business ventures while others have continued their education at other schools.

The UTETC effort shows that an investment in training and education pays itself back over a period of 6.39 years after graduation. A student, in effect, pays back in taxes the costs through productive employment.

OPERATING AUTHORIZATION

United Tribes operates under the auspices of P.L. 93-638, the Indian Self-Determination and Education Assistance Act. The United Tribes Educational Technical Center's prime contract is a line item in the Bureau of Indian Affairs budget under the Employment Assistance Adult Vocational Training category.

ACCREDITATION

United Tribes is accredited by the North Central Association of Colleges and Schools at the certificate granting level. North Central completed its reevaluation of the Center's ten vocational programs in 1985 and granted full continuing accreditation through 1990.

SERVICES

United Tribes Educational Technical Center provides those institutional activities which are fundamental to the delivery of vocational education. These include:

*a core of 10 vocational programs which have been ongoing and updated throughout some sixteen years;

*supplies and equipment for the vocations;

*adult education for students needing basic skill development or who wish to enter vocations requiring GED's or high school diplomas;

* a modest offering of cultural and recreational activities that necessarily supplement the programs of any credible postsecondary institution;

*counseling and placement services for United Tribes students

*support services such as the cafeteria, housing, maintenance, student transportation, administration and fixed costs on a 105 acre campus.

In addition to these services, the Center provides other services relevant to its family centered philosophy. These are an elementary school, a child development center, a nursery and a dispensary.

United Tribes exists as an Indian family community. It is designed to serve Indian people who are either not served adequately or who are not served at all by more traditional programs. As such, the Center represents the first tangible and subsequent employment for most of its students.

CLIENTELE

The enrollment of United Tribes from 1979 to the present has annualy averaged 250 students from as many as 39 different Tribes and 13 states. A majority of the students have never spent more than one year away from the reservation and have histories of chronic unemployment due to an extremely depressed local economy and educational deficiencies which are well below the national average.

Almost all students who attend UTETC are from economically disadvantaged backgrounds. Approximately 67% of the 1986 student body received public assistance payments such as Aid to Families with Dependent Children or General Assistance in the year prior to attending school. This percentage does not include those who may have received direct payments but who were recipients of programs such as food stamps, subsidized housing or energy assistance.

The philosophy of United Tribes is that the Indian family is the key to any success. Accordingly, while the Center serves single students, it continues to emphasize services toward married couples and single parent families. The dependent children of students increases the agverage on center population to approximately 400 individuals.

HISTORY

The United Tribes Educational Technical Center is a unique inter-tribal vocational/technical school. Located on a 105 acre campus three miles south of Bismarck, North Dakota, the institution is owned and operated by the five reservations located in whole or in part in North Dakota. These reservations include; the Three Affiliated Tribes of Fort Berthold, the Devils Lake Sioux, the Sisseton-Wahpeton Sioux, the Standing Rock Sioux, and the Turtle Mountain Chippewa. Control of the corporation is vested in a ten member Board of Directors comprised of the Tribal Chairman and one other representative.

Originally established in 1969, UTETC has been in continous operation for seventeen (17) years. As the first tribally controlled residential vocational school in the nation, UTETC is committed to the economic, social and cultural advancement of Indian people. It is UTETC's philosophy to provide an environment where students and staff can preserve and transmit their knowledge, values and wisdom to ensure the survival of Indian people, now and in the future, while increasing individual opportunities to improve the quality of life. The Center seeks to initiate and sustain educational and economic programs aimed at the self-sufficiency and realization of self determination of American Indians.

The United Tribes Educational Technical Center is a model in this area of development. This is evidenced by a waiting list that consistently numbers over 200 students each quarter.

LEVEL OF FUNDING

If the future of United Tribes Educational Technical Center is to be assured, sufficient funds must be provided by Congress. Congress has traditionally provided and directed a minimum of $1.2 million annally for the direct costs of the Center. Despite this, the BIA annually has atempted to apply continued reductions to the UTETC budget.

Although the Bureau of Indian Affairs budget request includes $1.238 million (F.Y. 1988) for UTETC, it is important to note that this figure does not represent an increase over FY 1987, but rather a reduction. The Bureau of Indian Affairs has proposed to reduce UTETC by some $395,000 of contract support, in F.Y. 1987. Therefore, the level of funding should be at $1.6 million.

In prior years the BIA requests showed only the direct costs. Contract support (indirect costs) were provided separately. In F.Y. 1987 the BIA budget request included combined direct and contract support dollars, totaling $1.63 million. At

present and for F.Y. 1988 there will not be sufficient contract support funds for fixed costs for the campus based institution.

The $1.238 million request is highly inadequate and could jeopardize UTETC's ability to function at a minimum effective level. In fact, this level of funding could be so debilitating that it could cause UTETC to close it's doors.

Since 1979, UTETC has practiced all possible austerity measures and yet has maintained a quality program. The quality of the programs is well evidenced by the continuing accreditation of the North Central Association of Colleges and Schools.

In addition, UTETC has and will continue to call on other federal and private sources to meet its needs.

The $2,100,000 request represents a direct cost of $1,445,286 and $654,714 for contract support. This dollar amount represents the minimum budget necessary for United Tribes Educational Technical Center to continue providing a needed and quality vocational program to Indian people through F.Y. 1988.

Statement of the Sinte Gleska College, Rosebud Sioux Reservation

-INSTITUTIONAL PROFILE-

Founded:	Sinte Gleska College was chartered and established in 1971 as an incorporated Tribally-controlled institution of higher education by the Rosebud Sioux Tribe.
Location:	The institution is located on the Rosebud Sioux Indian Reservation in south central South Dakota. The reservation is the home of 12,000+ members of the Sicangu Lakota or Burnt Thigh band of the Western Teton Sioux. The reservation area encompasses twenty (20) Tribal communities in four (4) counties with an expanse of approximately 5,337 square miles. Administrative offices are situated in Rosebud, South Dakota with dispersed campus sites located in Mission and Winner, South Dakota.
Mission Statement:	Sinte Gleska College provides a model for Indian-controlled education. It is an institution governed by the People rooted to the reservation and culture, concerned about the future, and willing to work to see the institution grow. It provides each Lakota person the opportunity to pursue an education and does so in a way that is relevant to career and academic needs. Sinte Gleska College graduates will help determine the future development and direction of the Tribe and its program entities. In sum, the mission of Sinte Gleska College is to plan, design, implement and assess post-secondary programs and other educational resources uniquely appropriate to the Lakota People in order to facilitate individual development and Tribal autonomy.
Governing Body:	The College is governed by a nine-member, all Indian Board of Directors. The governing body consists of five (5) members elected at-large from reservation communities; two (2) student representatives and one (1) staff representative elected annually from the student body and staff respectively; and one (1) representative selected from the Rosebud Sioux Tribal Council's Education Committee. All positions have full voting powers.

INTRODUCTION

Sinte Gleska College serves the Rosebud Sioux Indian Reservation of south central South Dakota, an area encompassing four counties that cover 5,337 square miles where some 12,000 tribal members reside in twenty communities. Sinte Gleska College was officially established by the Rosebud Sioux Tribe in January of 1971 as a tribally-chartered higher education institution for the purpose of designing and delivering appropriate post-secondary programs, services and opportunities throughout the Rosebud Reservation. Inherent within this charter has been the responsibility to address the educational concerns of the Lakota People and to help plan for and determine the future direction of the Rosebud Sioux Tribe.

The primary mission of Sinte Gleska College since inception has been to develop a viable and accessible tribal education model. Accredited by the North Central Association of Colleges and Schools in 1983, Sinte Gleska College became the first tribal college in the country to gain accreditation at the associate and bachelor degree granting levels. In 1987, Sinte Gleska College is once again entering a comprehensive self-study phase for continued accreditation in which we will assess institutional planning and management capabilities relative to current and potential operations. We are confident that Sinte Gleska College will satisfy the various accreditation standards with the end result yielding a new blueprint for institutional operations.

During the past sixteen years students and community members have consistently remained as institutional strengths for Sinte Gleska College. Student enrollment now averages between 475-500 students per academic year following a three-year period of growth from 1984-86. Along with such increases in student enrollment Sinte Gleska College has witnessed a larger number of graduates in recent years. The 1986 graduating class included 11 baccalaureates and 17 associates who join 152 other alumni at Sinte Gleska College. In addition, eight (8) former graduates have completed their masters studies in 1986, two (2) of whom are pursuing their doctoral credentials. All of these graduates, whether at the associate or masters degree level bring an important dimension of professional training to the Rosebud Reservation.

At present, Sinte Gleska College offers associate degrees in Business Education, Education, General Studies, Human Services and Lakota Studies and Vocational Education plus bachelor programs in Elementary Education, Criminal Justice and Mental Health. Academic programs are complemented by a wide range of support services such as the Financial Aid and Registrar's offices, Study Skills Program, and Bookstore. Sinte Gleska College also administers an Adult Basic Education Program which, from 1972, has assisted 1,049 students to earn their high school equivalency certifications.

For 1986-87, Sinte Gleska College has placed an emphasis on institutional expansion, both in terms of facilities and programs. The center of facilities expansion is the Sinte Gleska College Library Project which will provide an extra 4,500 square feet of classroom, office and circulation space, and the possibility of another 4,500 square feet via second-floor capacity. The Library Project was funded by the Library Services and Construction Act and the Bush Foundation. Funding for the second floor capacity has not been identified to date. Besides construction, Sinte Gleska College has also realized facilities expansion by renovating older buildings for office space usage. Construction and renovation efforts are crucial at this time to meet the growing needs of our student population and the desire for increased program development at Sinte Gleska College.

Academics will experience a similar expansion in the 1986-87 academic year as Sinte Gleska College moves toward the implementation of a baccalaureate degree in Business and introduces graduate courses per the Education Department. The latter action has been approved by the North Central Association of Colleges and Schools and reflects an institutional position to foster quality higher education opportunites "at home" on the Rosebud Reservation.

Sinte Gleska College will also continue to seek the effectuation of certain initiatives that deal with daily issues and challenges confronting tribal members. Specific thrust and attention will be afforded to the areas of alcohol and substance abuse, economic development, the federal/Indian relationship, land and water use and other task-oriented projects. These areas will be examined through the formulation of Sinte Gleska College Institutes: the official mechanism for Sinte Gleska College to conduct research, disseminate findings and propose solutions. Sinte Gleska College envisions its Institutes as a key vehicle for building a strong tribe-tribal college partnership and for improving socio-economic and educational conditions for tribal members and communities.

Yet despite our advancement and attempts to promote greater institutional self-sufficiency, Sinte Gleska College is still in the unsettling position where we are forced to react to substantial budget reductions and eliminations which threaten fiscal stability and even institutional survival. Sinte Gleska College lost six funding sources following the conclusion of FY'86 and may be subject to lose as many as eight grants for the 1987 fiscal year. Some may be replaced by continuation grants or incoming programs. Other monies and consequently programs, will never be restored. The lack of "hard" funding imposes a serious obstacle to institutional planning and development and carries a long-term impact on educational services for Sinte Gleska College students and the Lakota People.

Institutional Resources

The following discussion furnishes a brief overview of the current status of institutional resources and describes how the impending cuts will affect student, academic and administrative programs at Sinte Gleska College.

STUDENTS

Student needs and interests in 1986-87 are of highest priority at Sinte Gleska College. Financial aid, counseling services and support staff personnel must grow immediately in order to sustain the basic requirements of our current student population base. And therein lies the dilemma affecting Sinte Gleska College students.

At a time when many colleges nationally are faced with declining enrollments, Sinte Gleska College students and our Lakota People are looking forward to comprehensive and extensive operations. Without a full implementation of P.L. 99-428, "The Tribally Controlled Community College Assistance Act of 1978, as amended" and other federal programs designed to assist Indian Education Sinte Gleska College cannot realistically step up to the next plateau of student enrollment and program development. Because of funding shortages, we are forced to adopt a status quo stance in student services; any further decreases in funding for student programs would diminish these vital support areas to an unacceptable level at Sinte Gleska College.

ACADEMICS

Instructional services are approaching a critical institutional juncture at Sinte Gleska College; we must experience academic program expansion to ensure continued scholastic integrity and credibility. For years our academic programs have proudly and successfully delivered curriculum at both associate and baccalaureate levels with limited provisions for supplies, equipment and other classroom needs. Instructor salaries average between $14,500 - $15,500 per year and funding reductions have severely limited conference travel and faculty upgrade opportunities. There has been only one salary increase and one small salary augmentation for faculty since 1982.

In upcoming years Sinte Gleska College is planning to implement some significant changes, improvements and additions in respect to academic programs to accompany its current self-study/accreditation process. We clearly possess a dedicated faculty who help us honor our commitments to the Lakota People and to the field of Indian Education. Here too, more funding is required to keep an adequate flow of quality post-secondary programs on the Rosebud Reservation.

ADMINISTRATIVE

A focal point for administrative concern is facilities, the least developed of institutional resources due to the huge demands for capital outlay. Existing facilities will soon become a primary deterrent to overall institutional resource development. Future

prospects for facilities rest heavily with P.L. 99-428 which authorizes construction funds to qualified institutions. Sinte Gleska College meets the legislative standards for such construction and indeed demonstrates an immediate need for facilities.

The second point of administrative concern is employee salaries for faculty, support staff and administrators. Each year we lose vital funding for personnel costs and integral positions. Growth and expansion considerations tend to become stymied as we must fight to maintain minimal employee salaries. Personnel costs constitute 64% of the total budget at Sinte Gleska College and a 5% across-the-board raise for all SGC employees in FY'88 would cost approximately $58,000.

Statement of Need

Like numerous young institutions, especially tribal colleges, Sinte Gleska College has assumed a conservative posture in terms of delineating its annual budget. Tradtional funding sources, nearly all derived from federal grants, have either been gradually reduced, eliminated or appropriated at disproportionate award amounts during the last five years in comparison to total institutional need.

In light of these fiscal circumstances, Sinte Gleska College has initiated a series of ongoing budget constraints to accommodate our current budgetary climate. As in FY'87, Sinte Gleska College projects no salary increases nor any budgetary allowances for travel, equipment or training expenses in FY'88. In FY'87 Sinte Gleska College commenced its budget balancing process by retrenching several faculty, staff and administrative positions and by curbing all departmental expenditures. The last recourse, which we reluctantly chose to utilize, was to increase student tuition rates. In arriving at this fiscal austerity Sinte Gleska College employees and students have fashioned cost-effective programs revolving around hard-working individuals who are willing to make personal sacrifices on behalf of Sinte Gleska College.

From a revenue perspective, the majority of the institutional budget at Sinte Gleska College is comprised of short-term private and federal grants. These monies are classified as "categorical" in that funds must be expended for explicit programmatic purposes and not operational expenses. Sinte Gleska College requires funding that may be expended at our determination and which may be designated for academic, educational and administrative costs to permit expanded programs and opportunities.

In sum, Sinte Gleska College has strived to identify an array of funds in order to secure a constant annual fiscal base. There is no excess in our budget and minor federal funding reductions will create hardships on every fact of institutional operations.

P.L. 99-428

P.L. 99-428, an act to amend and extend the Tribally-Controlled Community College Assistanct Act of 1978 (95-471), contains some provisions which, if properly implemented, will be beneficial to the funding and development of tribal colleges. The concept of forward funding, facilities construction and the establishment of endowments, all authorizesd by P.L. 99-428, are crucial to the future of Sinte Gleska College. At this time Sinte Gleska College wishes to reiterate its concerns regarding P.L. 99-428 and request Congressional consideration of the following areas.

Forwarding funding, common for most educational institutions receiving public dollars, will establish appropriation levels for a two-year period rather than the current one-year method and will enable Sinte Gleska College to better plan the offering of

its educational programs. The major advantage of forward funding to Sinte Gleska College will be a knowledge of P.L. 99-428 fund availability and an enhanced management capability to define the need for additional institutional resources. Historically, the amount of P.L. 99-428 funds forwarded to Sinte Gleska College is not known until after six to nine months into our ongoing fiscal year.

Of paramount concern to Sinte Gleska College is the level of appropriations for eligible tribally-controlled colleges under P.L. 99-428. The pro rata amount has fluctuated between $2,400 and $3,100 and has been dictated more by Bureau of Indian Affairs (BIA) funding requests than by actual student enrollment within an academic year.

For FY'87, Congress appropriated $7,724,00 which according to American Indian Higher Education Consortium (AIHEC) estimates, translates into a pro rata of $2,491 per F.T.I.E. Unfortunately for FY'88, the Bureau of Indian Affairs has requested less funding than was appropriated in FY'87, irrespective of AIHEC projections which indicate another increase in total student enrollment. The AIHEC colleges are herein requesting $13,966,000 in FY'87 funding under P.L. 99-428 -- a level which allows us to be funded at $4,000 per FTIE.

In addition to operating funds, P.L. 99-428 is also authorized to appropriate monies for facilities construction for accredited colleges and to approve grants for establishing endowment programs, both critical areas which would enhance institutional development for Sinte Gleska College. In FY'88, the AIHEC colleges are requesting $10,000,000 for facilities construction and $1,500,000 for the endowment program. Sinte Gleska College is specifically seeking $1 million in construction monies and seeks the rejection of the Bureau of Indian Affairs proposal that any interest earned on the federal share of endowment program funds be deducted from subsequent grant awards. The delay in implementing such P.L. 99-428 guidelines is denying essential progress for Sinte Gleska College and the Rosebud Sioux Tribe.

P.L. 93-638

Another unresolved institutional issue pertains to the matter of Snyder Act funding at Sinte Gleska College and the subsequent loss of $220,000 in annual operating monies and a total cumulative loss of $1,540,000 since FY'81. (Initial funding for Sinte Gleska College was awarded per the authority of P.L. 67-85, the Snyder Act of 1921. Sinte Gleska College eventually contracted these funds per P.L. 93-638.) In this case, the Bureau of Indian Affairs moved unilaterally and without tribal consent to remove Snyder Act funds from the tribally-banded budgett -- only to be restored at a much reduced funding level.

Sinte Gleska College has regularly sought a restoration of these Snyder Act funds to the original $358,300 level but not at the expense of annual tribal allocations. As such, Sinte Gleska College would again request that Snyder Act monies be restored to a level of $358,300.

TITLE III

As outlined previously in both verbal and written testimony to Congress, the Title III Program is a significant avenue for institutional development and improvement among tribal colleges.

The Title III Program assists a broad spectrum of colleges and universities however this legislation is most beneficial to young and growing institutions such as Sinte Gleska College. By joining its fellow colleagues in attaining favorable provisions to Part A of the Title III Program, Sinte Gleska College anticipates a renewed opportunity to work toward and fulfill our

institutional needs. We urge each of you to support FY'88 appropriations under Part A so that Sinte Gleska College can continue to offer unique and responsive educational programs on the Rosebud Reservation.

STATEMENT OF DONALD B. NAIBERK, CHIEF EXECUTIVE OFFICER, MID-DAKOTA HOSPITAL ASSOCIATION, INC.

The Mid-Dakota Hospital Association, Inc. is requesting a $1.8 million appropriation for the continuation of the expanded contract Indian Health Service entered into with Mid-Dakota Hospital for the benefit of all federally-recognized Indians living in and around Chamberlain, South Dakota.

Mid-Dakota Hospital and the Indian Health Service representatives of the Aberdeen, South Dakota Area Office and representatives at the national level were impressed with the past problems and the difficulties arising from traditional contract healthcare which gave rise to serious obstacles in delivering necessary health services to the Native Americans. Starting in mid-1983, a series of meetings were held with the Indian Health Service representatives and with national representatives with the deliberate objective to achieve a mutual participation for the benefit of the health delivery system to the people of the Crow Creek Sioux Tribe and the Lower Brule Sioux Tribe.

Accessibility of health care services was the paramount concern. It was determined that the Native Americans should have access to the services and care provided by Mid-Dakota Hospital with the least amount of paperwork and "red tape".

Without question, and perhaps most notable, there developed through these intense sessions some historic relationship events between Mid-Dakota Hospital and the Native Americans, to wit:

(1) A bond of trust and cooperation developed between the Indian Health Service and Mid-Dakota Hospital.
(2) The concept of providing health care services under the provisions of the proposed plan was endorsed by the Crow Creek Sioux Tribe and the Lower Brule Sioux Tribe.
(3) The By-Laws of the Mid-Dakota Hospital Association, Inc., for the first time in the history of hospital organizations in Chamberlain, South Dakota, were amended to allow the respective Tribal Councils of the Crow Creek Sioux Tribe and the Lower Brule Sioux Tribe to appoint members to the Board of Directors to this private, non-profit corporation.
(4) The plan, which was developed through the series of negotiations, was funded, and a master contract between the Indian Health Service and Mid-Dakota Hospital was consumated.
(5) Through this contractual agreement, the accessibility of health care to the Native Americans in the community was greatly enhanced.
(6) Eligibility problems have been virtually eliminated through the provisions of this contract, because all Native Americans from recognized tribes are eligible for care at Mid-Dakota Hospital.

From the standpoint of Mid-Dakota Hospital, the contract has (1) created a positive cash flow and (2) enabled Mid-Dakota Hospital to add new services such as stress testing, ultrasound, enhanced fetal monitoring, apnea monitoring, and because diabetes has been identified as one of the major health risks, Mid-Dakota Hospital has developed an educational program to promote better health maintenance for Native Americans with this problem. In addition to the aforementioned services speciality clinics in the following disciplines have been established: Urology, Orthopedic, Audiology, Mammography, and Allergy. This month an Obstretrical and Gynecology service will begin through the cooperative efforts of Mid-Dakota Hospital and Indian Health Service. This service will include both clinical and surgical procedures and will be fully funded by the contract. Currently Mid-Dakota Hospital and Indian Health Service are negotiating physician services to be included as a portion of the outpatient/emergency care.

On September 15, 1986, the Indian Area Health Office, Financial Management Branch, Aberdeen, South Dakota renewed the contract to Mid-Dakota Hospital for the fixed-price provision of inpatient hospital care for a period of twelve (12) months. Mid-Dakota Hospital is obligated to provide 2900 inpatient days of care for a contract award of $1,522,500.00; and Mid-Dakota Hospital shall further provide outpatient services to include 1333 outpatient/emergency visits during the term of the agreement at an agreed upon cost of $119,970.00.

The total contract award for inpatient and outpatient/emergency services is $1,642,470.00.

It is agreed that Mid-Dakota Hospital shall provide "full" hospital services, including but not limited to, nursing care, laboratory (including pathologist services), radiology (including radiologist services), anesthesia, surgery (excluding physician services), obstetrics and newborn care (excluding physician services), physical therapy, EEG which includes physician interpretation by members of the hospital medical staff, and EKG which includes interpretation by members of the hospital medical staff. Emergency room care, which results in hospitalization, is considered as part of the per diem cost and is not charged as a separate and/or additional cost to the Indian Health Service.

Verification of a patient's eligibility to receive financial support from the Indian Health Service is based upon the list of eligible Native Americans which is provided by the Indian Health Service. This procedure has contributed to minimal eligibility problems.

The eligibility list contains the names of Native Americans who are from federally-recognized tribes, and is updated periodically based on information available and positive decisions of appeals of eligibility. Determination of eligibility is the sole responsibility of the Indian Health Service, and is based upon the policies and regulations promulgated by the Indian Health Service.

To facilitate the subject of eligibility, the contract provides for the appointment of a Project Officer by the Indian Health Service.

According to the list provided by the Pierre Service Unit, Indian Health Service, State of South Dakota, of all Native Americans in the service area, there are 6,430 such individuals who are potential beneficiaries of the contract services.

The cost of this contract is approximately $21.28 per month per person in the service area, which equates to a most reasonable health insurance premium in payment of such broad services. Of course, the above cost does not include all of the other eligible Native Americans who reside outside the service area.

The quality and utilization of the health care provided under the contract is monitored by the South Dakota Foundation for Medical Care, which is also the designated Peer Review Organization for the State of South Dakota. The monitoring assures that the care and services provided are required and that the proper quality standards are being maintained.

Courtney Anderson, M.D., Sioux Falls, South Dakota, who reviews cases for many private and public hospitals in the state as a consultant to the P.R.O. Reviewer, has complimented Mid-Dakota Hospital and the physicians of the medical staff for outstanding care of the Indian Health Service patients. Thomas K. Welty, M.D., M.P.H., Medical Epidemiologist/AAIHS and Thomas H. Love, R.N., M.P.H., Maternal and Child Health Consultant/AAIHS reported on their findings of a review of Mid-Dakota Hospital's maternal care as follows "During our visit, we reviewed several medical records of Indian women and neonates who delivered at the hospital. The care being provided to Indian women and neonates at your facility, as reflected in these medical records, is excellent. All of the records we reviewed fully met our criteria. The forms used, the clarity and thoroughness of the charting and the documented patient education were all exceptional. We are very pleased with the quality of intrapartum, postpartum and newborn services and hope you will convey our appreciation to your medical and nursing staff".

In summary, this project has provided Native Americans access to primary care as well as those speciality clinics available at Mid-Dakota Hospital. The cost per individual covered by this contract has certainly proved to be economical. Few problems have surfaced both in the provision of care and the administration of the contract. The cooperation between Mid-Dakota Hospital and the Indian Health Service has continued and will enhance the provision of care in the future. This cooperative relationship has been an essential contribution to the growth of service being offered during the second year of the contract and Mid-Dakota Hospital Association, Inc. is looking forward to the third year.

It was recognized between Mid-Dakota Hospital and the Indian Health Service representatives, that the contract period was certainly a "pilot project" for the reason that such a major undertaking, with the wide range of services, had never before been accomplished.

Mid-Dakota Hospital urges this Committee to provide for the continuation of this exemplary program by supporting an appropriation of $1.8 million for the quality health care that South Dakota's Native Americans deserve.

STATEMENT OF DAN MCCOY, CHAIRMAN, EASTERN BAND OF THE CHEROKEE INDIANS

Mr. Chairman, my name is Dan McCoy, I am the Chairman of the Tribal Council of the Eastern Band of Cherokee Indians. I am accompanied today by Jonathan Taylor, the Tribal Health Director. Our Reservation is located in Western North Carolina. On behalf of our people I want to thank you for holding this hearing so you can hear the views of our Tribe on the FY' 88 budget. I will address the BIA segment and Mr. Taylor will address the IHS portion.

BUREAU OF INDIAN AFFAIRS

Self-Determination Service Grants - This past summer, halfway into the fiscal year, we were told by the BIA that our funding from the Self-Determination Service Grants Program would be reduced by $62,100 or 34%, (the actual advice of allotment did not go from BIA to Cherokee until November). Mr. Chairman, we use our Self-Determination Grants funding to pay for the operation of our Tribal Operations Program, (TOP), which is the number one ranked program under our Indian Priority System (IPS). Our TOP office performs absolutely vital functions for our tribal government and is the nucleus of our tribal administration. This money was taken from us because of an arbitrary decision by the BIA to make up for a shortfall in contract support (c/s) by taking the entirety of the shortfall from the Self-Determination Services (SDS), Grant Program. Why was this shortfall taken exclusively from one program? As is indicated is the attached letters from our tribe, from the Mississippi Choctaw and in the USET resolution, this cut was unfair and hurt some tribes badly. If a tribe had ranked this program high on its IPS it was reduced by many thousands of dollars. Tribes who didn't happen to use Self-Determination Grant funds were not affected one bit. It would have been far more equitable to have the c/s shortfall absorbed by having it applied across the board to all BIA programs thereby equitably spreading around the pain. Another alternative would have to been to let each tribe decide where it wanted to have cuts made. We know where we most need funding better than does someone at the BIA in Washington, D.C. These types of decisions in D.C. are why tribes say that this Administration pays only lip service to self-determination.

In the FY'88 budget they have proposed the elimination of Self-Determination Services Grants Program and a reduction in the Aid to Tribal Government program, which are the only two programs in the BIA which could appropriately fund our TOP office. In FY' 85 the S.D.S. Grants Program was funded at $15,820,000. In FY'88 the BIA proposes zero. In FY' 86 the Aid to Tribal Government Program was funded at $21,608,000. In FY' 88 for A.T.G. the Bureau proposes $3,301,000, (all of it for BIA salaries), and $15,028,000 in ATG under the Tribe/Agency Subactivity. This represents a combined loss of almost $20 million in the two functions that have been provided to tribes to assist and strengthen tribal governments. We think this is disgraceful and we urge the Committee to fully restore both of these popular and effective programs and to reject the "small tribes revenue sharing" and "troubled tribes" programs that have been alternately proposed.

Forestry - We join the other tribes with forestry programs in calling for the rejection of the BIA proposed forestry changes in the FY' 88 budget. The 7.5 million reduction in appropriations for timber sales administration at the reservation level would almost cut our forestry personnel at the BIA Cherokee Agency in half. These people perform important functions setting out, appraising and monitoring timber sales, conducting inventories and developing management plan for our forests and they have been over-harvested as a result. In the past year our Tribal Council has realized the importance of this and has directed our forester to come up with a plan. Because this is an important trust resource we have just

given it a higher priority on our IPS. We have utilized the Forest Development money in the past and must rely on it even more in the next few years if we are to save our forest lands for the future. We hope the Forest Development money will not be reduced.

We reject the privatization initiative proposed by the Bureau. It is our choice under P.L. 93-638 whether we want to contract for BIA operation programs or have the BIA continue to operate a function. For the BIA to tell us we have to contract or they will contract it with private timber companies is blackmail. Furthermore, to have a private entity manage our forest would not only be a violation of the Bureau's trust responsibility for what is clearly a trust resource, but would be the essence of the fox guarding the chicken coop.

Real-Estate - The Real Estate Services Program is another that is very important to the Eastern Cherokee Reservation. We have a rather unique system where all land on the reservation is owned communally by the Tribe itself. The use of the land is regulated by the tribe through the use of Possessory Holdings which allow tribal members to use and occupy these lands. This system assures that no land will ever fall out of tribal title to non-Indians as happened on so many Western Reservations. Our land assignment system is one in which the Bureau Realty staff has been very helpful. We must maintain proper zoning practices, maintain land records, collect technical data, administer holdings and do surveys to protect our most valuable trust asset.

We support the proposed increase in the BIA Real Estate Budget in FY' 88, but we prefer that it all stay in Trust Responsibilities sub-activity entitled Real Estate/Financial Trust Services, and not be moved to the Tribe/Agency budget.

Tribal Courts and Construction of Detention Center - Our Tribal leaders, in discussing our court funding has recently stated, "If we don't have a fully functioning court, the very sovereignty of the Tribe itself is at stake." I agree with this statement and ask this Committee to help us make sure our CFR Court is able to function. Last year we had two key positions lost. Our Chief met with Ross Swimmer and Hazel Elbert and subsequently we did receive funding for one of the two positions. One is still vacant and we need to make sure we have the position of probation officer filled.

The BIA has published in the Federal Register the priority projects on the Facilities Improvement and Repair, (FIR), list and the Eastern Cherokee Detention Facility was on that list. We have entered into discussions with the Eastern Area Office Facilities staff about the potential for contracting the design and construction of this facility to the Tribe with FY' 87 FIR money, but apparently we are still waiting for the green light from Albuquerque. Anything you can do to get that light to glow green would be very appreciated.

Education - There is nothing that is more important to the Cherokee Tribe than is the education of our children. That is why we took the lead in the successful nationwide fight in the 99th Congress to enact legislation prohibiting the BIA from kicking our tribally enrolled children who are less than one quarter degree Cherokee out of our schools.

We have BIA operated schools on our reservation and we vehemently object to the BIA proposal that holds a gun to our heads and says, "Either you take over the operation of your schools under a "638" contract or we will turn them over to the State of North Carolina." As is the case of the forestry privatization initiative, we feel this is blackmail that violates the spirit and letter of the Indian Self-Determination Act. We view this as a violation of the trust responsibility that the U.S. has for our children.

It is a particularly outrageous proposal when combined with the proposed elimination of negotiated indirect costs rate and a 15% flat administrative rate. There is no way we could take over operation of these schools at a 15% flat rate. The BIA proposal to

have tribes take over operation of schools under contract is therefore guaranteed to fail. You will doubtlessly be hearing from a number of tribes and Indian education organizations on this matter and we add our voice to theirs. We also must ask why we weren't consulted by our trustee. This administration has mistaken the word "consultation" with the word "briefing" and we ask you to point out to them what the difference is.

In the F.I. & R. budget we are also awaiting word from Albuquerque about some rehabilitation that is needed for our grade school. We need a new roof because the present one is in bad shape and we need additional rehabilitation money because we ran out of classroom space and had some of our children attending classes in trailers. Those trailers were condemned and we have to move these children back into the elementary school. We hope to get money in the FY' 87 F.I. & R. budget to do design work on the school and then do the construction in FY'88. We appreciate any support the Committee can give in these endeavors.

Indirect Cost - We are very much opposed to any initiative that would lead to a flat administrative rate. Such a system would not allow for the differences between one tribe and another. The reason that the federal government has circulars and audits and regulations on indirect costs is to allow each contractor's proper administrative needs to be examined, negotiated and ultimately agreed to. Because the BIA has not been able to properly forecast contract support needs from one year to the next, they have decided to sweep the problem under the carpet with this flat rate concept. We urge the Committee to reject the flat rate proposal, but we also think you should hold a hearing in the near future exclusively on this subject. You could hear testimony from selected tribes, from the Inspector General, from the Defense Department, from some Defense Contractors, (whom we understand have indirect cost rates of a least 100%, and in some cases over 400%), and other experts in this field. There really is no more pressing issue facing tribal governments than is the prospect of contracting ourselves into great debt. In the interim, we are submitting some materials on this issue to serve as food for thought for the Committee Members and staff.

Tribe/Agency Funding - We hope the Congress will again reject this proposal as you have in the past. It appears to be nothing more than a thinly veiled concept at consolidating and then reducing total program dollars. It would result in one tribal department competing with another (and with the BIA Agency) and is disingeneously proposed by the BIA in the name of tribal autonomy. Please back the various program dollars out of the Tribe/Agency program and put them back where they were in previous years.

Funding to Eastern Tribes - I would like to ask this Committee to look at the BIA to see if Eastern Tribes are getting our fair share of the BIA budget. The Eastern Area Office has always been known as the bastard son of the Central office and every Assistant Secretary has always told us that he knows we are underfunded and that the Area Office is understaffed, but nothing is ever done about it. Perhaps this Committee can help us. You should bear in mind how many so called "new" tribes there are in the East and what effect that has had (or not had) on the Eastern tribes budget.

Overall Concern - My overall concern with the BIA budget and with the way the BIA does business in general these days is that we keep finding out about major decisions that effect us after the fact. Budget cuts are made before the tribe has any opportunity for input. This really makes a farce out of the IPS system. A classic example of this was pointed out earlier in my statement relative to our TOP example. I am tired of the Central Office of the BIA and the budget people in the Department and at OMB telling our Tribe that they know what is best for the Indian people. There is only one group who know what is best for us and that is the Indian people themselves.

INDIAN HEALTH SERVICE

Mr. Yates, I am sure that you will be hearing from the national and regional organizations on the overall IHS budget and that they will give you good analyses. We support their testimony and would like to focus our testimony on some of the specific health concerns at Cherokee.

Contract Health Care - We are continuing to only be able to operate on a Priority One Urgent and Emergent Policy. Even under these constraints we are projecting at current spending levels that we will face a $248,000 deficit by the end of FY'87 and will run out of money completely sometime this summer (more people are needing services) and our recurring dollars are not increasing!

Hospital and Clinic - We are projecting that at current spending levels we will be $353,500 short in this category. We have the same base budget but we have been told that there is a 2% overall cut and a 3% mandatory pay increase. Combining these facts with a 3.5% inflation rate leaves us with 8.5% less buying power than we had last year. These funds are for our personnel and supply costs at the Cherokee Hospital. We project that we will run out of Hospital and Clinic money in July.

Dental - Our dental program is presently (not projected, but today), in a deficit of $15,000 and we have no funds available for the purchase of dental supplies for the rest of the year. The mandatory pay increases and step increases have used up a lot of our expendable dollars.

We also have a backlog of 1,100 adult patients awaiting our services, but we can not reach them at our current staffing level. We simply have been unable to make progress in reducing the backlog and, as a result, many will not receive service this year. If we could get funding for one additional dental team it would enable us to break through the backlog and significantly reduce patient waiting list.

Forced Lapsed Positions - We are currently lapsing 15 positions in the clinical and direct support areas. By not filling these positions we have freed up greater $400,000 that we can now use to purchase supplies and drugs, to pay for higher priority positions and direct patient health care. We wish we could fill these positions but we just simply do not have the recurring dollars to operate anymore efficiently.

Alcholism Program - This program is also greatly underfunded. If we are going to perform serious intensified and comprehensive alcohol treatment on tribal members who need such help we are going to have to be able to use contract care dollars. Presently we are prohibited from using contract care unless there is a grave threat of physical violence. So we end up using band aid approaches and sending people right back out into the community. Presently we can do some limited detoxification here at Cherokee and preventative education. To do many comprehensive detoxification treatments, education, and aftercare, we will need more dollars designated in contract care for such. We understand under the new Omnibus Drug bill that tribal members are entitled to comprehensive alcohol treatment plan. We have potentially two hundred tribal members who will need such treatment at an average cost of $6,000 each or $1,200,000.

Mr. Chairman, I would like to extend my thanks and appreciation to the Committee for allowing me to testify at this time . Thank you!

STATEMENT OF ROBERT CLARK, EXECUTIVE DIRECTOR, BRISTOL BAY AREA HEALTH CORP.

Mr. Chairman, my name is Robert Clark. I am executive director of the Bristol Bay Area Health Corporation, which is responsible for providing health services to 4,289 Alaska Natives in thirty-two Alaska Native villages in the Bristol Bay region of Alaska. The region we service spans 46,573 square miles, a geographic area larger than the State of Ohio. During 1986 we commenced operation of the new Kanakanak Hospital near Dillingham, Alaska. I want to take this opportunity to express the appreciation of the Alaska Natives of our region for the support which your Committee has provided in the construction of the new hospital.

Unfortunately, we were faced with major financial problems in our first year of operation. The Administration's proposed FY 1988 program decrease of $58 million for hospitals and clinics and $1,214,000 for dental programs will accentuate these problems and may well make it impossible for BBAHC to continue operating the facility under P.L. 93-638. Here are the funding problems we currently face:

(1) In appropriating funds to the Indian Health Service for FY 1987 the Congress directed that IHS should "ensure a deficiency no greater than 11 percent" based on the nation-wide IHS Resource Allocation Methodology then in effect. We and the IHS Area Office agree that an additional $229,000 must be added to our FY 1987 contract in order to reach that result. To date, however, the Indian Health Service has failed to provide such funds to us and we are thus operating at a deficiency level significantly worse than that mandated by the Congress. Our attorneys have been advised by the IHS general counsel that the Indian Health Service is not legally bound by this mandate since it was contained in the Appropriations Conference Report, not in the FY 1987 Continuing Resolution. However, we understand that some funds have been allocated to the Alaska Area Native Health Service for this purpose, but they have not been allocated to our contract. We urge that you seek

clarification from IHS as to its compliance with the directive in the Conference Report.

(2) IHS agreed at contract negotiations last year to allow $100,000 in start-up costs for the new facility. The understanding was that we were to absorb such costs from funds already available in our contract and that an increase would be made later. No such increase has been included in our contract to date. We have, therefore, been compelled to absorb such costs within the funds available for hospital operations, which further increases the deficiency level of our program.

(3) In addition, IHS has attempted unilaterally to reduce our FY 1987 contract by two percent. These funds have been withheld for the purpose of distributing them later in the year to those IHS-funded programs which are found to be more deficient than the average level under a revised Resource Allocation Methodology (RAM) not yet finalized. In December 1986 IHS justified this cut based on the claim that the IHS "hospitals and clinics" funding level for FY 1987 was substantially less than the amount provided in FY 1986. We have recently been informed by IHS officials that this "shortfall" claim was an error by IHS and that the sole reason for two percent withholding is to redistribute funds from the FY 1986 base under the revised RAM. We request that the Congressional Appropriations Committees (1) direct IHS to apply the revised RAM only to contracts where the IHS has provided a copy of the Policy Statement to the contractor at negotiations, and (2) direct IHS to publish in the Federal Register for notice and comment any RAM policy statement which makes a change in existing regulations applicable to contracts under P.L. 93-638.

At the time we negotiated our FY 1987 contract, we relied on written assurances by the IHS Director that the revised Resource Allocation Methodology would not be applied to contracts entered into prior to its publication (Dr. Rhoades' "Dear Tribal Leader" letter, dated July 8, 1986). Our IHS contracting officer confirmed this IHS policy to our legal counsel at that time. The reduction of

our negotiated contract amount by two percent violates those commitments and moves our FY 1987 level of funding even further from the eleven percent deficiency level mandated by the Congress.

(4) We have recently been advised by IHS through its Indian Self-Determination Memorandum No. 87-1 that our contract for next year must include a clause to permit IHS unilaterally to reduce our negotiated budget "for the purpose of implementing the RAM." Please note that the impact of RAM on FY 1987 has not yet been determined by IHS for the contract year which began October 1, 1986. The RAM Statement of Policy issued by IHS on March 3, 1987 indicates that substantial changes may be made in the factors used to determine deficiency levels for the FY 1988 RAM, some of which appear to be inconsistent with existing IHS regulations. Thus we are being asked to agree to operate the hospital next year without being able to rely on a negotiated budget or even on IHS regulations in effect on the date "negotiations" take place.

Since the FY 1987 RAM is still not complete halfway into FY 1987, we assume that this time next year IHS will still not have told us the level of funding on which we can rely for FY 1988. IHS is moving increasingly to a system of tribal contract negotiations under which a contract amount is determined at the end of the year to which the contract budget applies rather than before it commences. Our BBAHC board of directors will need to look very closely at such an arrangement before we can agree to accept it. It appears to violate fundamental principles of fair play and common sense and severely threatens our financial solvency. Significant changes in the manner in which the funding level of contracts for health services under P.L. 93-638 are determined under section 106(h) of the Act should be established by regulations published in the Federal Register for notice and comment.

(5) The difficulties of operating health programs under P.L. 93-638 have, of course, also been complicated by the absence of funding for contract administration costs. We have never been fully funded for such costs and have been forced to absorb a portion of

such administrative costs (insurance, financial reporting, etc.), within our program base. We are glad to see IHS recognize the need for such funding in requesting $2.5 million (IHS Justification, page 51) for new "638" contracts, but these funds will not assist existing contractors who have been under-funded.

We have been told by IHS that the $2.5 million appropriated by the Congress in FY 1987 as an increase over the FY 1986 appropriation is, in fact, not an increase but only a continuation of such funding provided in FY 1986. See H. Conf. Rep. No. 99-1005 (1987), page 725. Please review this matter with the IHS Director. We also note that IHS proposes to reduce tribal management funds by $2,080,000, essentially gutting this program which is intended to assist tribes in developing the capability to contract under P.L. 93-638. Failure to provide funds for contract administration and tribal management will inevitably discourage tribal contracting of health programs.

We have been informed that the policy of the Federal Government is to encourage tribal organizations to operate health programs under P.L. 93-638. In fact, OMB has given IHS a target of contracting 75 percent of its hospitals and clinics in ten years. Resolutions of the funding issues noted above would do far more to encourage tribal organizations to utilize P.L. 93-638 than an arbitrary contracting goal can do. A contract has to be approved by both sides, and few tribal organizations will be willing to contract as long as funds are being cut and IHS reserves the right to reallocate negotiated funding long after the contract year has begun. We find it difficult to believe that the Secretary is serious about encouraging tribal contracting of health programs while these funding problems persist.

Our ability to operate the new hospital has also been hampered by a shortage of housing for additional necessary staff. (Congress appropriated funds to allow us to hire 31 additional staff for the new hospital.) In FY 86, Congress appropriated $4.2 million for construction of 26 units of personnel quarters to help house our new

personnel. We were very grateful that Congress did not approve the Administration's proposed rescission of these funds and that the design phase is now under way. We have found, however, that the cost to construct 26 units for personnel and their families was underestimated by IHS, or was perhaps based upon single-occupancy unit construction rather than one-, two- and three-bedroom units we need to accommodate personnel with families.

IHS Area Office Facilities Construction staff have told us that the current budget will allow only for the construction of 20 or 21 units of the size needed. Even then, they have had to scale-back the design to stay within the existing budget. They estimate that between $1 million and $1.3 million additional funding will be necessary to construct the full 26 quarters Congress directed in the FY 86 appropriations act. We urge the Congress to work with us and IHS to resolve this problem.

We further note our opposition to the $47.4 million cut in contract health care and the proposal to phase the community health representative program over to "other funding sources within IHS." This sounds like a disguised cut-back to us. We understand that an increase of $2.1 million in preventive health is needed to maintain the current level of services.

We oppose a number of other initiatives to restructure the IHS budget which we see as detrimental to tribal operation of health programs, including (1) making the entire IHS appropriation no-year dollars (this would allow IHS to stretch out, and consequently reduce, funding levels without requesting a rescission); (2) merging IHS facilities budget with the health services budget. For the past several years, the Administration has opposed modernization, repair and construction of new health facilities; it should, nonetheless, be required to spend facility funds for facility projects as Congress has directed.

Finally we wish to voice our concern at the lack of energy with which BIA and IHS have implemented their new authority under the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986. This program can provide substantial benefits for Alaska Native people in the development of educational and treatment programs to assist the victims of alcoholism and drug abuse. IHS, however, is proposing to cut its own alcoholism budget by $2.7 million even though it states that "Alcohol and alcohol abuse continue to be the leading causes of health problems among Native Americans." The IHS-BIA Memorandum of Agreement ordered by P.L. 99-570 issued on March 26, 1987 fails to comply with the Act and demonstrates a remarkable indifference by both agencies to this opportunity to significantly increase the attack on the "leading causes of health problems."

Section 4205 of the Act clearly requires BIA and IHS to take a series of specific steps to address alcoholism and substance abuse within 120 days of enactment. Instead, BIA and IHS have designed for themselves a new extended timetable for assessing the number of Indians affected, the financial cost, the resources available, and the need for further resources and funding to meet the problem. We urge that your Committee press BIA and IHS to provide you with the data required by P.L. 99-570 as part of the FY 1988 appropriation process and that you seek to address these needs in the FY 1988 appropriations.

We very much appreciate the opportunity to share with you our views on the FY 1988 budget request for the Indian Health Service.

ENERGY AND MINERALS PROGRAMS

STATEMENT OF KENES C. BOWLING, EXECUTIVE DIRECTOR, INTERSTATE MINING COMPACT COMMISSION

AML BENEFITS AS TAXABLE INCOME

A recent Internal Revenue Service ruling in the State of Ohio poses a threat to state Abandoned Mine Land Programs. In this precedent setting case, IRS ruled that monies expended under the AML Program for land reclamation may be taxed as part of the landowner's gross income. The amount of the expenditure under the Ohio AML Program was in excess of $900,000.00. Frequently AML projects require expenditures of twice that amount or more. Consideration of these amounts by IRS as taxable income represents a formidable tax liability to landowners. AML projects are selected through a prioritization process on the basis of potential hazards to the health, safety, and welfare of the general public. Expenditures of funds justified in terms of its benefit to the general public with no direct payments to the landowner. This fact appeared to have no bearing in the Ohio ruling. When the landowner of a selected site is made aware of this potential tax liability, it will be impossible to secure from that landowner the required right of entry to the affected property. This situation could bring about a nationwide halt to the AML program.

In view of the above, the IMCC member states urge support of proposed legislation to amend the internal revenue code as contemplated in S.B. 563 sponsored by Senator Bingaman for himself and Senator Ford.

OBLIGATION RATES FOR STATE RECLAMATION GRANTS

In its 1986 budget for the Office of Surface Mining Reclamation and Enforcement (OSMRE), Congress significantly cut funding levels for state reclamation grants. The funding level reductions were based on a perceived inability of the states to obligate the full amount of AML grants awarded to them. The obvious assumption was that the states were requesting grant funds in excess of their actual needs. For example, the state's obligation rate for 1984 was approximately 30%. In reality, this deceptively low rate was a result of the state's understanding that the grant period was for three years. Therefore, most states did not perceive a need to fully obligate funding during the initial grant period.

The states sought to correct this misconception by improving their obligation rate to a 65 % level and are currently in a position to fully obligate all available funds. Therefore the IMCC member states urge that their funding requests for the AML Program, as originally submitted to OSM, be fully appropriated.

STABLE FUNDING FOR STATE AML PROGRAMS

It is imperative that consistent and stable funding be made available to state AML Programs. Management of AML Programs has by

necessity, become an exercise in long range planning. Carefully engineered projects and tightly drawn specifications are essential to cost effective project management. The cumbersome procedures indigenous to all governmental procurement agencies, and the critical need for timely initiation of project construction, makes assurance of fund availability essential. The current federal budgetary process has reduced state AML planning process to an annual guessing game. While it is recognized that Congress has an obligation for fiscal responsibility in appropriating public funds, careful consideration should be given to the funding needs of responsibly managed programs which can dramatically improve the health, safety, and general welfare of the public. The state AML Programs are responsibly managed to target high hazard, high impact sites, and have a demonstrated capability of utilizing the total estimated $220 million annual revenue generated through the Fund. Congress is urged to provide the necessary stable financial support at a continuing minimum of $220 Million annual level for the kind of long range planning required for effective AML Program management.

In recognition of the state's progressive capability to fully utilize their fifty percent share of the annual revenues generated by the Fund, OSMRE, last year implemented an allocation formula for distribution of the Secretary's discretionary share of the fund. The allocation formula was based in part, on the National Inventory, and in part on the historic coal production records of the state. While the development of an allocation formula has been long awaited by the states, some additional refinements to the process are necessary. Section 402 (g) and Section 403 of the Federal Surface Mining Act (PL 95-87) provides guidance as to criteria for the Secretary's use of the discretionary funds. The IMCC member states suggest that the allocation policy should reflect these criteria. Additionally, it is important that whatever criteria and policy OSMRE adopts should be applied equitably among the states and consistently over an extended time period.

A number of the IMCC member states favor an annual minimum base level of funding, to each state from the Secretary's discretionary fund. In establishing this minimum base level, the Secretary should adhere to the provisions of Section 402 (g) and 403 of the Act.

RAMP PROGRAM

The IMCC member states, recognizing the position taken by Congress and OSMRE regarding funding of the Rural Abandoned Mine Lands Program (RAMP), urge that RAMP project selection be done in a manner consistent with that used under the state AML Programs. Furthermore, funding requests for RAMP projects should be made a part of the states annual submission of projects. The IMCC member states urge support of this position.

PAY INCREASES AND RETIREMENT COSTS

The President's budget calls for the transfer of $1.3 million from the AML Fund to cover increased 1987 pay and retirement costs in the Regulation and Technology appropriation. Transfer of these funds for the stated purpose diverts these monies from their intended purpose of land reclamation. In view of the fact that even the most

conservative projections show a lack of sufficient funding to complete priority one and two projects during the life of the program, use of these monies for pay increases and retirement benefits may not be a prudent use of the available funds. Furthermore, this action would establish a precedent which could lead to an even greater diversion of funds in future years. We request that you reject this proposal.

AML GRANT CONDITIONING

It is noted that the proposed budget appropriations bill continues the policy of conditioning AML funding to the states on the basis of their participation in a national applicant violators system (AVS). Although many states entered into an agreement with OSMRE to participate in AVS, such action was taken with great reluctance on the part of the states. The states have frequently expressed reservations about the feasibility of the AVS. Nevertheless, the conditional language in the FY--86 budget appropriations bill gave the states no option. The IMCC member states take exception to conditioning Title IV funding on Title V performance. There is clearly sufficient authority under Title V of the Act to allow OSMRE to bring about necessary state compliance through the primacy conditions. The conditioning provisions of the FY-86 appropriations bill and similar provisions of the proposed bill denies the state proper access to public participation and open discussion and/or appeal in OSMRE directives under Title V. This denial of state's rights is accomplished through a process which is not clearly authorized under the Act.

We urge that the conditioning language be stricken from the bill.

REMINING INITIATIVE

The IMCC member states continue to press for development of a policy which would encourage remining of abandoned mine sites. Experience clearly demonstrates that reaffecting these areas results in significant environmental benefits and any "trade offs" which would result in increased activity in this area is clearly justified. Clean-up of these sites through gratuitous reclamation complements and enhances the AML Program and will result in a net cost savings to the Fund. We urge your support of the remining initiative.

FORMAL APPEALS PROCESS FOR STATES

The IMCC member states continue to press for the establishment of a formal appeals process which would enable the states to appeal decisions by OSMRE. The states are the only parties in the federal coal regulatory program which do not have access to an administrative process for appeals outside OSMRE.

Two important criteria should be considered in establishing such a process. First, the administrative body to which appeals are to be filed should be an independent entity; and secondly, the matters subject to appeal should be limited to issues of major proportion.

We seek your support in focusing attention on this important need, and in bringing about expedient action in establishing an appeals procedure.

APPLICANT VIOLATOR SYSTEM

Although many states have agreed to cooperate with OSMRE in establishing a computerized AVS system, there remain strong reservations about the feasibility and workability of such a system. Many, if not all states, have already developed automated systems for performing determinations required under Section 510 (c) of the Act. There is serious concern among the states that the magnitude and detail envisioned in the federal AVS will result in major expenditures which will require state matching funds. The states view such expenditures to be unjustified and unnecessary. In the current environment of major budget cuts in all aread of government, such unnecessary expenditures place a serious financial burden on the states and will ultimately affect their ability to carry out an effective enforcement program. If Congress and OSMRE continue to insist upon state participation in the development of AVS, then it is only proper that federal funds be made available to support the entire cost of the system.

We urge that you carefully consider the impact of such a system to the states and provide full federal funding.

COMPUTERIZED INVENTORY OF INSPECTABLE UNITS

The draft committee report for FY-87 contains language requiring OSMRE to establish a computerized inventory of all mine sites (inspectable units) which have been subject to the Act since 1977. It further directs OSMRE to inspect these sites and take mandatory enforcement action. Direct federal inspection and mandatory federal enforcement of all inspectable units within a state is in direct opposition to and undermines the primacy concept so strongly advocated by the Act. Although the proposed bill would make funding for this project available to the states, the states strenuously object to the federal inspection and enforcement. Furthermore, the requirements for developing an inventory which is retroactive to 1977, is clearly unworkable. We urge your consideration of redrafting the language to reflect no direct federal action in the states and the initiation of the inventory from a more current time period.

Statement of the Petroleum Marketers Association of America

The Petroleum Marketers Association of America (PMAA) appreciates the opportunity to describe its concern over the proposed lack of funding for oil heat R&D in the Department of Energy's budget request for Fiscal Year 1988.

PMAA is a national federation of 41 state and regional trade associations representing 11,000 independent marketers of petroleum products, equipment and service. While almost all of these marketers are small businessmen, collectively they sell over three quarters of the home heating oil and half of the gasoline consumed in America today. -

For FY87, Congress allocated $650,000 of DOE's conservation budget to continue combustion research on oil heat equipment. The combustion program is an element of a key activity called Technology and Consumer Products, within the Buildings and Community Systems Division of DOE. In this statement, PMAA advocates continuing the program for FY88, at an increased funding level.

R&D Benefits for Consumers

Federal research has been very beneficial to consumers of oil heat by providing greater options for conservation, thereby benefiting the nation as a whole. The oil heat program that was started in 1976 at Brookhaven National Laboratory is one of the most successful stories in federal research history.

With an R&D investment of less than $10 million, Brookhaven demonstrated, among other things, the success of the flame retention burner that has become the industry standard for new oil heating equipment. New flame retention equipment and retrofit devices for existing oil burning equipment were estimated to save consumers over 10 billion dollars through reduced oil usage by the end of the next decade. This amounts to one of the best benefit/cost ratios ever funded by DOE.

Additional improvements that have resulted from development or demonstration activities at Brookhaven include typical energy savings for hydronic oil boilers of 9%-10% for vent dampers and flue heat recovery systems. Cumulative energy savings for improvements to high efficiency burners and boilers are expected to exceed another 7 billion dollars by the year 2000.

For FY87, DOE is proceeding with a very modest research effort in three promising areas of activity: performance control studies, fuel oil atomization/combustion studies and direct venting technology development.

Proposed Oil Heat R&D

PMAA strongly supports continuing the current research effort and believes that there are several additional projects that should be undertaken by DOE in FY88 that are equally as promising in terms of costs and benefits to fifteen million oil heat taxpayers as the example of the flame retention burner. These projects have been identified and are described in detail in a study by Battelle Pacific Northwest Laboratory (PNL-5896, September, 1986). Briefly, a total funding level of $3.8 million is required in three areas of activity:

- First, $2.1 million for efficiency advances on equipment such as heat exchangers and venting systems.
- Second, $1.3 million for advanced combustion and control, including pulsed combustion oil heating equipment.
- Finally, $400,000 for technology transfer programs.

The estimated fuel savings for these programs was taken from the Battelle Pacific study appendix, Table A.1. Fuel savings estimates for the various program elements range between 5% and 32%. Estimated market penetration rates range from 5 to 50%.

Based on annual fuel oil consumption of 1.08 quadrillion Btu, these projects are expected to save consumers as much as the retention head burner over 20 years. Estimates of the cumulative savings over 20 years range from $779 million to $12.6 billion, as shown in the last column in the table.

Federal Role is Needed

Due to the non-monopoly operations of fuel oil marketers who compete freely with one another, a federal R&D role is needed for the oil heat industry, even more than for competing industries that benefit from strong federal participation in R&D.

The federal R&D for other fuels augments the work of the Gas Research Institute and the Electric Power Research Institute, which are funded by hundreds of millions of dollars in surcharges on gas and electricity rates that are approved by federal and state authorities.

By contrast, local oil heat marketers have no exclusive sales territories and no government approval or means to impose R&D surcharges. Major oil companies, which produce and refine oil products, do not accept responsibility for any R&D activities on behalf of equipment manufacturers or any end users, including space conditioning, automobiles or airplanes.

Most manufacturers of oil heat equipment also make gas and/or electric appliances. With a relatively smaller sales potential in oil, it is understandable that equipment manufacturers commit their limited resources to the gas and electric equipment that is the focus of the government and utility research efforts.

Therefore, it is up to the federal government to provide funding for oil heat R&D, in order to maximize conservation options to the 15,000,000 U.S. homes dependent on oil. While PMAA does not subscribe to the view that energy supplies will dry up tomorrow, it would be wise to have a strong conservation program to reduce consumer energy demand. With an investment of only $3.8 million, the federal government can strongly encourage reduced consumer demand for home heating oil by taking advantage of exceptionally high benefit/cost ratios for oil heat R&D.

Budget Limitations

PMAA is aware of the Gramm-Rudman limitations on the budget, and supports efforts to lower the deficit through reductions in federal spending. PMAA is not asking for additional budget authority. PMAA believes that the budget proposal is more than adequate for DOE to meet the needs of its various constituent publics, including oil heat.

DOE is requesting a budget of $5.5 billion for research and development fund to serve the American public. Since 18% of American homes use oil heat, it is only fair that their needs for increased conservation options be protected by the allocation of $3.8 million to be devoted exclusively to oil heat. After all, the federal government is devoting billions of dollars to competing sources of energy such as natural gas, electricity, nuclear, coal and exotic energy forms such as solar and renewables.

While PMAA agrees with DOE's national energy policy of balanced and mixed supplies, PMAA argues strongly for the inclusion of the oil option in the energy supply picture so that DOE funding is provided for oil as well as forms of energy in competition with oil for a share of the home heating market.

PMAA believes that if DOE is going to continue any R&D programs at all, then it is only fair to the 18% of American taxpayers who heat with oil that oil heat get its tiny slice of the R&D budget pie. PMAA strongly urges the support of this Subcommittee for a necessary portion of DOE's total budget to continue an oil heat program with such an excellent and beneficial track record.

Statement of David O. Webb, Senior Vice President, Policy and Regulatory Affairs, Gas Research Institute

I appreciate the opportunity to submit testimony which outlines Gas Research Institute's (GRI) FY 1988 budget recommendations for gas-related research in the Department of Energy's (DOE) fossil and conservation R&D programs. In developing these recommendations, which reflect the minimum funding required for a viable gas research program in DOE, GRI considered the severe federal budget deficits the nation is facing and the need to reduce expenditures. In this vein, GRI and the gas industry have agreed on a recommendation of $92.0 million in the above-mentioned programs--$5 million less than Congress appropriated in FY 1987 for these programs. Central to these recommendations is the fact that GRI is planning to commit $127.8 million to near-term research in these same program areas in 1988.

GRI is an independent, not-for-profit scientific research organization that plans, manages and finances a cooperative R&D program for the benefit of its 252 members and their customers. National energy R&D policy is a major factor influencing the GRI R&D program since GRI cofunds and coordinates many of its research projects with DOE. Therefore, Congressional action on the proposed FY 1988 DOE budget has a direct impact on the gas industry's R&D.

DOE ENERGY POLICY

The DOE FY 1988 budget request continues the shift started two years ago to increase funding for defense-related activities while significantly reducing spending for energy R&D. In fact, energy-related R&D in the DOE budget is now less than one-third of the total request, and funding for fossil energy and conservation R&D is 50 percent less than Congress's appropriation for FY 1987 this past October.

To dramatize this shift in priorities, the Administration has requested $596 million for the Strategic Defense Initiative (SDI) program--more than twice the total new budget authority requested for all fossil and conservation research programs. In contrast, DOE proposes to eliminate all but $13.9 million for oil and gas research. The DOE budget, if enacted, will hasten the day when oil imports will rise to greater than 50 percent of total U.S. demand, which will invite a repeat of the OPEC-dominated market and the accompanying inflationary spiral.

BALANCING ENERGY RESOURCES AND FEDERAL ENERGY R&D POLICY

The absolute necessity of continuing a viable federal R&D program in fossil energy becomes self-evident when we examine where the U.S. is projected to get the majority of its energy supplies over the next 25 years. DOE's projections in the December 1985 National Energy Policy Plan indicate that in the year 2000, the U.S. will meet over 80 percent of its energy needs from oil, gas, and coal. GRI's projections (See Exhibit 1) indicate that in the year 2010 the U.S. will still get 75 percent of its energy from fossil resources. Yet DOE proposes to assign less than 2 percent of its FY 1988 budget to fossil energy. The national policy should be based on a reasonable balance between energy use and energy R&D funding. This proposed budget does not strike such a balance.

The DOE FY 1988 budget for nuclear energy research is three times greater than the combined fossil and conservation budgets. Over the past four years, Congress has stressed and appropriated funds for development of domestic fossil energy resources and the more efficient use of energy to reduce dependence on oil imports. Unfortunately, if the U.S. is to have a balanced energy program, Congress must once again restore funding to continue critical programs in DOE's fossil and conservation programs.

GAS RESEARCH INSTITUTE'S 1988 BUDGET

In contrast to the DOE proposal to drastically reduce funding for long-term gas-related research, the gas industry's response to federal R&D policy directing industry to fund more of its own near-term R&D has been very impressive. While DOE has proposed only about $30 million--less than one-third the level of FY 1987 appropriated funds--for FY 1988 gas-related research in fossil and conservation programs, GRI will fund $128 million of near-term activities in these research areas--a 20 percent increase over 1986. (See Exhibit 2.) However, an effective joint effort requires a viable long-term DOE gas research program.

NEED FOR DOE FUNDING FOR NATURAL GAS R&D

The natural gas industry has the resource base necessary to maintain an important role in a highly competitive U.S. energy mix. (See Exhibit 3.) If funding for a viable federal/gas industry research program is continued, the technology base necessary to develop gas supplies and more efficient appliances, equipment, and gas processes can be established. Developing this technology base requires a 10- to 15-year lead time. The current drop in world oil prices and the gas surplus provide a "window of opportunity."

GRI is recommending $65 million for gas-related research in the fossil energy program and $27 million in the conservation program to fund the technology base. (See Exhibit 4.) In the past four years, Congress has recognized the need for these programs and has appropriated approximately $100 million each year for these programs. The gas industry is seeking a continuation of this trend in FY 1988.

RECOMMENDED DOE FY 1987 GAS-RELATED RESEARCH

With the gas industry rapidly increasing its near-term research activities, it is critical for DOE to continue ongoing long-term gas research to have a viable national program. Several DOE gas research programs that this Subcommittee has supported require continued federal funding.

FOSSIL ENERGY	FY 1986 Appropriation	FY 1987 Appropriation	GRI FY 1988 Recommendation
Surface Coal Gasification	$41.323M	$24.655M	$21.5M

One of the most promising, abundant long-term sources of gas supply is the conversion of coal to gas. Of particular importance is the development of advanced processes that can use high-sulfur eastern coals.

The Waltz Mill process includes the evaluation and development of high-temperature gas cleanup concepts. A total of $6 million is required to successfully complete the hot gas cleanup in mid FY 1988 at which time the technology should be ready to embark on the Appalachian Clean Coal project. Research is needed on a novel contamination control system that could contribute to an advanced gasification process. This work is being conducted by IGT and will require $2.3 million in FY 1988.

	FY 1986 Appropriation	FY 1987 Appropriation	GRI FY 1988 Recommendation
Underground Coal Gasification	$4.1M	$2.37M	$5.0M

GRI, as head of an industrial consortium, entered into a contract to further evaluate the "Controlled Retracting Injection Point" (CRIP) technology in 1986. This technology will facilitate the control of reaction zones during the recovery of coal via underground gasification. This program, which is jointly funded by DOE, will result in a 100 day field experiment in 1987. Additional DOE monies will also be required to retain the services of LLNL in 1988 for test support, environmental R&D cleanup, base technology, and preliminary assessments for an eastern coal program. Total DOE commitment required is $5 million. GRI's budget in 1988 totals $1.5 million for cofunding with increased funding planned for the outyears.

	FY 1986 Appropriation	FY 1987 Appropriation	GRI FY 1988 Recommendation
Unconventional Natural Gas	$8.5M	$8.09M	$14.0M

Unconventional gas reservoirs represent one of the best prospects for adding reserves at a competitive cost. The National Petroleum Council's estimate of an additional 200 Tcf of reserves through development of advanced technology for just the tight lenticular formations and Devonian shales illustrates the potential and rationale for assigning a high federal priority to this research.

GRI is working on near-term research projects in blanket sands while DOE is conducting work in the long-term lenticular sands. DOE research should continue the multiwell test facility activities to determine methods to pinpoint the location and shape of each sand lens and to devise methods for economically extracting the natural gas contained within them. This will require $6 million of DOE funds. GRI's 1988 budget for research in tight sands is $11.1 million.

DOE should continue research on recovering gas from Devonian shale. The U.S. Geological Survey estimates that between 500 Tcf to 1100 Tcf of natural gas could be contained in the Devonian shales. However, better techniques to fracture the shale and link the shales' natural fracture systems to the wellbore must be developed. DOE funding of $6 million is required in FY 1988 to continue efforts in recovery efficiency and reservoir testing. GRI's budget in 1988 for Devonian shales is $7.4 million.

DOE should also continue ongoing efforts in exploring unconventional sources that could verify the availability of large supplies of natural gas from deep-earth reservoirs and gas hydrates. GRI's budget for this research is $3.9 million. A continuation of DOE's effort is required at a level of $2 million

	FY 1986 Appropriation	FY 1987 Appropriation	GRI FY 1988 Recommendation
Fuel Cells	$19.4M	$14.7M	$18.5M

Fuel cell power systems represent a unique approach for supplying both electricity and heating. A joint program was initiated in late 1982 under a 50-50 cofunded GRI/DOE effort for the purpose of increasing reliability and lowering the costs of these onsite fuel cell systems. GRI's 1988 budget for phosphoric acid fuel cells totals $2 million. A total of $1 million is needed from DOE to complete the joint program.

Phosphoric acid fuel cell use is limited in industrial applications that require higher-quality thermal energy. Advanced fuel cells (solid oxide) can operate at a higher temperature than phosphoric acid fuel cells (1300°F to 2000°F vs. 400°F) and, therefore, can provide higher-quality thermal energy. In addition, advanced fuel cells can achieve electrical efficiencies in the range of 50 to 70 percent. In view of the potential high efficiencies and net fuel savings that will be derived from the development of the solid oxide fuel cell, the gas industry recommends a DOE budget of $7.5 million in FY 1988.

CONSERVATION	FY 1986 Appropriation	FY 1987 Appropriation	GRI FY 1988 Recommendation
Gas Heat Pump	$ 4.2M	$ 5.0M	$8.0M

GRI has been working with DOE over the past three years to develop a cooperative gas heat pump research program. Specific technology based research is needed on advanced components, engines, and systems necessary to produce a competitive heat pump for residential and commercial markets by the early 1990s. R&D is also needed to address materials, heat transfer, endurance, and cost issues. GRI has budgeted $19.2 million for residential and commercial heat pump and prime mover research in 1988. It is recommended that DOE fund heat pump technology development at a level of $8 million in Technology and Consumer Products and an additional $2 million in the ECUT program for work on ceramics and fluids.

	FY 1986 Appropriation	FY 1987 Appropriation	GRI FY 1988 Recommendation
NGV/Diesel Vehicles	$ 0.0M	$ 0.0M	$5.0M

There is renewed worldwide interest in natural gas as an alternative to gasoline and diesel fuel in stationary and mobile engines. Several analyses have helped identify fleet vehicles as the most promising near-term application. There is a need for a comprehensive NGV emissions data base to help establish engine conversion kit research goals and to ensure that this technology remains environmentally acceptable. DOE should fund a $5 million technology base program in FY 1988.

	FY 1986 Appropriation	FY 1987 Appropriation	GRI FY 1988 Recommendation
Desiccant Systems	$ 0.0M	$ 0.0M	$2.0M

Today, the cooling needs of most small commercial buildings are being met with electric air conditioners. However, in areas of the country that experience high humidity and in commercial buildings that have high internal humidity loads, the use of these systems to handle both the moisture (latent) and cooling (sensible) loads is often inefficient. An alternate and more efficient approach is the use of an integrated gas-regenerated desiccant dehumidifier in conjunction with a smaller-capacity electric vapor compression air conditioner. DOE should initiate research on a total desiccant cooling system (no electric cooling components) in sizes from 10 to 20 tons. Key technology improvements are needed in reducing the size and cost of the desiccant wheel and heat exchanger components. GRI's 1988 budget for desiccant systems is $2.8 million. The FY 1988 federal contribution needed for this effort is $2 million.

GEOSCIENCE RECOMMENDATION

GRI believes that in addition to increasing traditional energy R&D dollars, the Department of Energy needs to start a program designed specifically to address a geosciences research initiative. In December 1985 DOE Secretary Herrington requested ERAB study the issue and report its findings. ERAB submitted a report in February 1987. GRI endorses the key recommendations in the report, which include the following.

- DOE should establish an Office of Geoscience Research (OGR). In addition, DOE should integrate existing geoscience research programs into OGR.
- DOE should establish six research centers in major oil- and gas-producing areas of the U.S. to conduct and contract geosciences research.
- DOE should substantially increase funding for basic and applied geoscience research . ERAB suggests an initial budget increment of $50 million in FY 1988.

SUMMARY

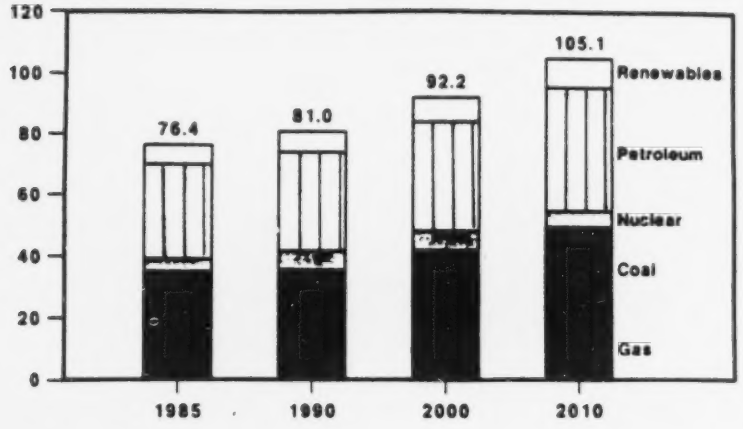
GRI recommends DOE fund a gas-related budget which adequately addresses the long-term needs of this nation. A total of $92 million in FY 1988 would continue programs Congress has already approved. We believe this budget recommendation is consistent with the realities resulting from a large federal deficit since it is $5 million less than last year's appropriations for these same programs. It should be noted that the gas industry is funding near-term research in these program areas with a GRI R&D budget of $128 million. These central themes of funding adequate gas research in DOE while GRI funds near-term research and of establishing a DOE geosciences program are sound national energy policy.

GAS INDUSTRY RECOMMENDATION
FY 1988 GAS-RELATED DOE BUDGET
($ MILLIONS)

Advanced Research & Technology Development	$ 6.0
Fuel Cells (Gas-Related)	18.5
Surface Coal Gasification	21.5
Underground Coal Gasification	5.0
Unconventional Natural Gas	14.0
Heat Pumps	8.0
Energy Conversion & Utilization Technology (ECUT)	4.0
Industrial Cogeneration	5.0
Indoor Air & Building Systems Research	3.0
Desiccant Systems	2.0
NGV/Diesel	5.0
TOTAL	$92.0

Exhibit 1

PRIMARY ENERGY CONSUMPTION
(Quads)



Total primary energy consumption is projected to grow from 76.4 quads in 1985 to 105.1 quads in 2010, or at 1.3 percent per year, while real GNP is projected to grow at 2.9 percent per year. Thus, energy consumption grows at less than one-half the rate of GNP (45 percent) over the projection. This rate reflects not only increasing efficiency of energy use but the continued restructuring of the U.S. economy into less energy-intensive applications

U.S. PRIMARY ENERGY CONSUMPTION
(Quads)

	Actual 1985	1990	2000	2010
Petroleum	30.9	32.4	35.8	40.7
Gas	17.7	17.2	18.8	18.6
(Total Gas Fuels)	(17.8)	(17.4)	(19.1)	(19.0)
Coal	17.4	18.5	23.3	31.0
Nuclear	4.1	6.1	6.3	5.3
Hydro	3.3	3.8	4.1	4.3
Renewables	3.0	3.0	3.9	5.2
Total	76.4	81.0	92.2	105.1

1986 GRI Baseline Projection

Exhibit 2

GRI FUNDING FOR FOSSIL ENERGY AND CONSERVATION RESEARCH
($ MILLIONS)

	GRI 1986 Approved Funding	GRI 1988 Planned Funding
Unconventional Gas	$ 27.1	$27.5
Coal Gasification	7.7	3.4
Fuel Cells	5.5	4.6
ARTD	5.2	11.7
Gas-Enhanced Flue-Gas Cleanup	2.6	5.7
R/C Heating and Cooling	7.0	13.2
R/C Heat Pumps	12.1	17.2
R/C Gas Appliances	3.9	5.3
CNG Applications	1.6	1.5
Energy Cogeneration Systems	7.3	7.4
Industrial Utilization	19.3	21.3
Indoor Air Quality	2.1	2.0
Basic Research	4.1	7.0
TOTAL	$105.5	$127.8

Exhibit 3

GAS SUPPLIES
(Quads)

	1985	1990	2000	2010
Current Practice				
Lower-48 Base Tech.	16.6	16.3	14.2	8.9
Canada	0.9	1.0	1.6	1.4
Other	0.8	0.4	0.8	1.2
	18.3	17.7	16.6	11.5
New Initiatives				
Lower-48 Adv. Tech.	0.0	0.3	2.6	4.8
Canada Frontier	0.0	0.0	0.5	1.0
Mexico	0.0	0.0	0.0	1.0
Other	0.0	0.0	0.0	1.3
	0.0	0.3	3.1	8.1
Total Supply	18.3	18.0	19.7	19.6

GAS DEMAND BY SECTOR
(Quads)

	Actual 1985	1990	2000	2010
Residential	4.5	4.5	4.2	3.9
Commercial	2.5	2.6	3.1	3.6
Industrial	7.1	7.2	7.2	6.8
Electric Generation	3.2	2.5	3.9	3.9
Transportation	0.5	0.6	0.7	0.8
Total	17.8	17.4	19.1	19.0

1986 GRI Baseline Projection

Exhibit 4

RECOMMENDED DOE GAS-RELATED BUDGET FOR FY 1988
FOR FOSSIL AND CONSERVATION R&D
($ MILLIONS)

	FY 1986 Appropriation	FY 1987 Appropriation	Gas Industry FY 1988 Recommendation
ARTD	$ 12.8	$ 8.6	$ 6.0
Fuel Cells (Gas-Related)	20.3	14.7	18.5
Surface Coal Gasification	41.3	24.6	21.5
Unconventional Gas	8.5	8.1	14.0
Underground Coal Gasification (Technology Base)	4.1	2.4	5.0
Conservation	21.8	23.0	22.0
Natural Gas Vehicles	0.0	0.2	5.0
Subtotal	$108.8	$81.6	$92.0
Gas-Enhanced Flue-Gas Cleanup (Clean Coal Technology Fund)	N/A	15.0	0.0
TOTAL	$108.8	$96.6	$92.0

STATEMENT OF CHARLES R. GUINN, CHAIRMAN, NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS

Chairman Byrd, Committee Members. I welcome the opportunity to provide you with my thoughts as you begin deliberations on Fiscal Year 1988 funding levels for energy conservation programs.

I represent the National Association of State Energy Officials (NASEO), an organization designed to foster the exchange of energy ideas and to provide a forum to discuss national, regional and state energy issues. In addition, NASEO interacts with Congress, Federal agencies and national associations to provide a state-level view of pressing national energy issues.

We at the state level are becoming increasingly concerned with the implications of recent national and international trends. For example: (1) Consumption of petroleum products was up 3 percent in the last year; (2) At the same time, American crude oil production dropped 8.5 percent; (3) U.S. oil imports were up 22 percent in 1986 to the highest level since 1980; (4) Imports accounted for 35 percent of the Nation's consumption in 1986 compared to 20-25 percent in 1985; and (5) Recent projections by the Energy Information Administration indicate that the Nation's petroleum import dependence could rise to 40-50 percent by 1990 and 50-70 percent by the year 2000.

Recent upward price trends are disturbing, as well as the escalation of fighting between Iran and Iraq.

We believe that, in order to secure the Nation's energy security and to increase the competitiveness of the Nation's economy, we must seek every cost-effective opportunity to improve our energy efficiency. We should not be lulled into a false sense of security by the recent moderation in fossil fuel prices.

With limited Federal funding over the past five fiscal years, state energy offices nationwide have assumed an increasingly important role in developing a wide range of innovative programs and activities to improve energy efficiency, stimulate economic development and improve the competitive position of each individual state's economy, which in turn translates into a stronger competitive national economy.

Moreover, we believe that by cutting spending to operate state-level energy conservation programs, the Federal government appears to be turning its back on conservation and improved energy efficiency, ignoring the hard-learned lessons of the seventies. Elimination of current Federal funding will have adverse impacts on the continued existence of state energy offices which have in the past, and will continue to be in the future, in the front line of addressing the Nation's energy problems.

For Fiscal Year 1988, the President's budget proposes to terminate Federal funding for the Schools and Hospitals, Energy Extension Service, Low-Income Weatherization Assistance and State Energy Conservation Programs. The Administration has also proposed a 32.2 percent reduction in the Low-Income Home Energy Assistance Program.

The Administration suggests that states use petroleum overcharge funds as an alternate funding source for these programs to fill in the budget gaps. However, it has been the intent of the Federal Courts in granting states relief in these overcharge cases that the funds supplement, not supplant, Federal funding for these programs. Moreover, given the widespread Federal funding cuts in all energy and low-income programs, it is unlikely that overcharge funds will be sufficient to fill in the cutbacks.

We also note that these proposed funding cuts in the SECP, EES, WAP and ICP programs constitute less than 1.5 percent of DOE's proposed $13.9 billion budget for FY'88.

We believe that the states, through the use of Federal funds under the Schools and Hospital, EES, SECP and Weatherization Assistance Programs, have designed, initiated and implemented a wide range of programs to improve the energy efficiency of residences, institutions and businesses which has translated into increase economic development activities and an improved competitive economy. The Nation's primary energy consumption per gross national product has declined by 12 percent between 1980-85 -- aided in no small measure by the initiatives of states.

Moreover, the Department of Energy recently released a report which calculated that the total cumulative savings calculated by the states under the SECP program amounted to 4.6 quads of energy in 1985.

The states are promoting innovative programs using Federal energy conservation funding. These programs include:

- Improving the energy efficiency of small businesses and industrial and commercial facilities by providing energy audits and surveys designed to improve the efficiency of these operations by identifying no-cost and low-cost energy conserving measures.

- Providing innovative financing mechanisms, demonstration and pilot programs, and grant and rebate programs to assist businesses, industries, institutions and residences to implement identified energy conserving measures.

- States have initiated and operated innovative agricultural energy efficiency programs, designed to save fuel, diversify farm production, and improve agri-business efficiency.

- Improving the efficiency of schools and hospitals through the Institutional Conservation Program. Virtually every state, as well as the District of Columbia and the territories, have initiated widescale programs targeted to schools, hospitals and health care facilities.

I have attached a description of some of the innovative programs initiated by the states for your review.

As significant as these efforts have been to date, the states have only begun to tap the potential for cost-effective improvements.

Additionally, the states have a role in regulating the efficiency of buildings through their promulgation of building codes and standards, which over the past ten years have assured that economically reasonable energy techniques are incorporated into most new construction throughout the country. Additionally, the states through their building codes, technical assistance, and seminars with builder, architects, businesses and industries, have translated the innovative work developed at the DOE national laboratories into the marketplace. The states have served as an important delivery system for the introduction of new energy conserving techniques and equipment.

The states have provided innovative programs to showcase and bring these new ideas to the marketplace. For example, in Illinois, Argonne National Laboratory and the Illinois Department of Energy and Natural Resources initiated an innovative solar energy technology program through the use of a salt pond at Argonne's Chicago facilities to provide heating and cooling.

In conclusion, we believe that there is an urgent need for a sustained Federal commitment to improve energy efficiency at the State and local level, beyond the short-term seduction of plentiful petroleum overcharge recoveries. We are very concerned that eliminating Federal conservation funds will send a signal to our citizens, businesses, industries, as well as other nations that energy conservation is not a high priority of the Federal government. We believe that energy conservation and improved efficiency warrant your continued budgetary support. A continued Federal/State partnership is necessary to enhance the Nation's energy security and to secure a competitive economy.

Statement of Rev. William L. George, S.J., Assistant to the President, Georgetown University

Mr. Chairman and members of the committee, I am Rev. William L. George, S.J., Assistant to the President of Georgetown University. Thank you for the opportunity to testify on the subject of Hybrid Fuel Cell Buses.

With the feasibility study completed and recommending that the project proceed, I request the committee to provide $1.6 million for FY'88. The objective of the study was to determine whether fuel cell buses could achieve satisfactory performance on standard drive cycles and whether their life cycles cost could be competitive with the conventional diesel powered buses. The hybrid system, however, was considered a first step in the essential system integration required for a variety of vehicles powered exclusively by fuel cells using alternative energy sources. The 28 foot bus was recommended because it required approximately 40 kilowatts of fuel cell power, assisted by battery standard modules. This meets most of the duty cycle requirements for buses. The 28 foot bus would be more suitable for initial testing because it requires a smaller power plant, which is easier to handle for this first application. In addition, performance concerns for the smaller bus are less restrictive.

A sensitivity analysis was performed on life-cycle costs of fuel cell powered buses. When in mass production the $200-500 per kilowatt estimated cost of fuel cells may well be achieved for transportation applications which would make the fuel cell bus cost effective. In the analysis that was done, no dollar value was placed on the fuel cell's low air and noise pollution although it was agreed that this may be substantial. Depending upon the costs of oil, life cycle costs could be even more competitive.

The technology for conducting fuel cell/battery bus operation is available. The fuel cells of the phosphoric acid type (PA) are now being used in other applications. This project would build and integrate fuel cell/battery buses to prove the capabilities of this technology to potential users. The joint Department of Energy and Department of Transportation, U.M.T.A Plan has broken the program into three funding areas. One for the systems integrator who will put the system together using an industry team which is being assembled during the first phase, and one each for contract management and technical management. Georgetown University will provide the contract management and the Argonne National Laboratory will provide the technical management. In carrying out its responsibilities, Georgetown University will use the expertise of the University of Florida and the University of Alabama, where valuable work has been carried on in areas related to this program. The Department of Transportation funding request is $1.0 million.

Multiple applications would be derived from the fuel cell battery bus program if it is developed quickly enough to maintain American industry interest in marketing. The present time table can be adjusted and condensed if circumstances permit. If the program is spaced out over too long a period of time the market will be captured by the Japanese or the Europeans.

Industry specialists estimate that a feasible hybrid PA fuel cell bus system could be undertaken over a three to four year period. With our experience in running a fleet of mini buses in an urban environment and having much experience in managing energy, commercialization programs, we feel that a fuel cell bus program such as the one described would commercialize this emerging technology.

The ultimate goal of the project is to provide the transition of this emerging technology to actual commercial use. This hybrid bus system is considered the first step in the development and use of fuel cells, utilizing methanol or other biomass produced fuels, for general transportation needs. Applications will eventually include vans, trucks, locomotives and as the technology advances, stimulated by this pilot program, use in electrically powered, noise and pollution free, private automobiles. This program is expected to stimulate industry to increase their support of research and development of advanced fuel cells for other applications and eventually for the automobile. To this end, the release of FY 87 funds to industry will be conditioned on their agreement to cost share. Significant interest was expressed when the project was announced and more than 40 responses were received for copies of the Systems Integration RFP.

The goal to provide the nation with environmentally clean and quiet transportation is a noble one. If we are successful in a timely fashion, the United States could very well take the lead in an entirely new industry.

On behalf of our President, Rev. Timothy S. Healy, S.J., thank you for the opportunity to testify.

MAJOR MILESTONES

FUEL CELL/BATTERY BUS PROGRAM - (Accelerated Schedule)

Phase I	Start January 1987
o Complete Selection of Systems Design and Integration Contractor	Sept 1987
o Complete Conceptual Design of Fuel Cell/Battery Propulsion System	Oct 1987
o Complete Trade-off Analysis & Systems Design of Fuel Cell/Battery Propulsion System	Feb 1987
o Complete Fabrication of Proof of Concept Fuel Cell/Battery Propulsion System	Sept 1988
Phase II	
o Complete Development & Laboratory Dynamometer Evaluation of Fuel Cell/Battery Propulsion System	Dec 1988
o Complete Design of Bus Modifications and Integration of Fuel Cell/Battery Propulsion in Prototype Bus	Jan 1989
o Complete Modifications and Integration of Propulsion System in Prototype Bus	Sept 1989

LETTER FROM WESLEY E. BARNES, CHIEF EXECUTIVE OFFICER, WESTERN RESEARCH INSTITUTE

April 23, 1987

Senator Robert C. Byrd
Chairman, Committee on Appropriations
Subcommittee on Interior and Related Agencies
Washington, DC 20515

Dear Mr. Chairman:

I wish to thank you for your past efforts on behalf of supporting the need to continue the important research at the Western Research Institute (WRI). We are writing to the Committee on Appropriations, Subcommittee on Interior and Related Agencies regarding the Administration's fiscal year 1988 budget request for fossil energy research programs. I formally request that this letter be included as part of the official record of the Subcommittee's deliberations on this important federal research activity.

WRI strongly believes it is essential that the nation be prepared to produce energy from alternative domestic resources to respond to the next inevitable petroleum supply crisis. The following information is geared to that strong conviction.

WRI is a nonprofit energy research organization that employs over 170 people. WRI was formerly a federal research laboratory until 1983, when the laboratory was defederalized.

Since the 1940s, we have pioneered research into in situ recovery of fossil energy resources. This expertise has been used to develop oil shale, tar sand and coal processing technologies. Additionally, WRI's staff has provided technical data on the environmental effects of energy-related resource recovery to ensure adequate safeguards are in place to protect the environment and human health.

I. THE 1988 FOSSIL ENERGY BUDGET REQUEST

The Department of Energy's 1988 budget request represents a limited and scaled back federal presence. Under this budget, the federal government's commitment to ongoing fossil energy research and development would be reduced from a current level of $251 million to $168 million in 1988. This proposed 33% reduction from 1987 levels, however, does not adequately portray the serious decline in federal support for research into the country's most important and abundant energy sources. Compared with 1986 research activities, the fossil energy research commitment would decline by more than 54% if this budget request is enacted. It is clear that this important energy program has already borne its share of responsibilities to reduce the federal deficit.

II. ENERGY AND NATIONAL SECURITY ISSUES

The nation once again is entering into an era where dependence on foreign oil threatens our ability to preserve our future energy and national security. Most energy supply experts predict a return to higher crude oil prices over the next several years. This is already being seen with the recent spot market price of oil reaching $18/barrel. The weakening of oil markets we witnessed last summer has begun to reverse itself and we may soon see an increase in oil prices that could impose significant inflationary burdens on the country, thereby complicating ongoing efforts to trim the federal deficit.

In tandem with this projection of higher energy costs, the Department of Energy indicates that the country may be returning to the era of dependency on foreign sources of fossil energy supplies. The U.S. Energy Information Administration's 1985 Annual Energy Outlook illustrates this point vividly. According to this publication, U.S. energy consumption relying on imported crude oil is projected to rise to an alarming 50% by 1995. In a worst case scenario, this level could reach 60%. Financial and petroleum industry analysts predict that by the early 1990s this country could again face a serious supply problem.

Further complicating the future energy resource supply picture is the fact that low energy prices have forced domestic oil and natural gas producers to shut down marginal production wells, reduce or eliminate research and development programs, and adopt a wait-and-see attitude on fossil energy research and development issues.

The long-term supply of domestic natural gas is also essential to the security of the nation. We are currently experiencing a surplus of supply which is considered by experts to be a temporary phenomenon known as a "gas bubble." As with petroleum, the current low prices of gas have resulted in a reduction in exploration for new, conventional supplies and a curtailment in research and development. Long-term, the nation will face the need to secure supplies of domestic gas from unconventional sources such as coal. A promising source of such supplies is underground coal gasification (UCG), which utilizes coal reserves generally not amenable to mining. At a minimum, funding is required in fiscal year 1988 to complete the Rocky Mountain #1 UCG demonstration program and to continue modest research into methods for reducing costs and environmental impacts. Mild gasification of coal by surface processing also presents a viable alternative to the production of conventional gas and also produces a liquid and solid energy product.

In summary, the 1986 crude price collapse has served to accelerate a greater and more rapid U.S. dependence on foreign petroleum sources. The infrastructure of the industry has been severely weakened. Its momentum has waned. A strong and clear federal response in support of fossil energy research is imperative. This response, at a minimum, requires:

- o maintaining a strong ongoing fossil energy research program and the cooperative agreement between the Department of Energy and the Western Research Institute;
- o continuing alternative fuel research and development programs focused upon reducing production costs and environmental impacts;
- o developing coal resources through research on and demonstration of clean coal technologies;
- o creating and maintaining an alternative energy data base;
- o maintaining petroleum recovery, enhanced oil recovery (EOR) and oil mining research;
- o developing proven cost effective alternative gas recovery technologies; and
- o implementing cooperative venture research and development pools.

III. DEPARTMENT OF ENERGY COOPERATIVE AGREEMENT

In 1983, the Department of Energy fostered the creation of the Western Research Institute when it entered into a cooperative agreement with the previously federal energy center. It was the intent of Congress that this agreement was to allow WRI to continue its important energy research, but as an independent entity. This concept had its origins in the fact that while energy research was a federal responsibility, many of the past and present research contributions could assist the private sector. Defederalizing WRI represented a cost effective approach to maintaining basic research while preserving the continuity of decades of research and production of subsequent results.

This cooperative agreement resulted in significant accomplishments in fossil energy research which, in many cases, will better prepare the nation when it must manage future energy supply disruptions. These include: improved techniques for in situ retorting of oil shales, demonstrating the feasibility of UCG procedures, advancing the technological data base of fossil energy research, and discovery of techniques to improve conventional asphalts using alternate fuels.

In 1984, Congress recognized the importance of the ongoing WRI research and the value the cooperative agreement provided to the nation as a cost effective method to maximize limited federal research and development resources. Therefore, Congress directed the Department of Energy to establish a successor cooperative agreement to the original 1983 agreement it entered into with WRI.

The purpose of this directive was to ensure two objectives. First, to facilitate the objective of transforming WRI into a self-sustaining, independent energy research organization. Second, the cooperative agreement ensured the continuity of energy-related technical resources and data base critical to the progress of ongoing and planned research at WRI and throughout the energy sector.

The Department's 1988 budget request lacks any specific recommendation to comply with the provisions of the current, executed cooperative agreement. Under the directives mandated by Congress, the Department agreed to a cooperative agreement containing baseline funding levels, including $4.658 million in fiscal year 1988.

The Administration's failure to budget resources to meet its obligations under the approved cooperative agreement jeopardizes multi-year energy research projects. Perhaps even more important, the failure to maintain the cooperative agreement threatens the nation's ability to respond to emerging energy research issues. This ability is particularly critical in light of the continuing uncertainty of the worldwide energy markets.

The absence of any programmatic budget objectives to continue the work begun at WRI and the ability to maintain a national energy research resource is a serious blow to the country's future capability to respond to fossil energy-related needs.

Therefore, WRI strongly urges the Subcommittee to fund the cooperative agreement at the agreed to level of $4.658 million to insure completion of ongoing energy research programs. Failure to meet this obligation will ultimately impede our ability as a nation to respond to strategic fossil energy objectives.

IV. SPECIFIC RESEARCH RECOMMENDATIONS FOR WRI

At a minimum, the following areas should be included in a strong fossil energy research and development program at WRI:

A. Petroleum

The Administration has recognized the need for alternatives to imported oil and has heretofore maintained research for EOR. The nation has a need for liquid fuels since transportation fuels cannot be replaced by other options. Options include oil shale and tar sand, energy resources abundant in the eastern and western U.S. Economic extraction and conversion processes for these resources can reduce the nation's dependence on foreign oil. The vast liquid fuel potential of these resources is critical to U.S. security. Advanced process research at WRI should be maintained as an ongoing element of national energy policy to seek economic means to bring these resources into the marketplace. Also, there is a need to assemble a data base on oil shale and tar sand from industry, universities and government to reduce the cost and time required to reinstate commercialization activities when the next crisis materializes.

B. Coal

WRI is at the forefront of coal-related waste research. Environmental mitigation activities are dependent upon waste leaching studies pioneered by WRI under Department of Energy guidance. Clean coal technologies, while reducing air emissions, will produce new coal wastes. Ongoing research on characterization and mitigation techniques should be continued at WRI. Advanced Research and Technology Development (ARTD) program areas should include research into critical areas such as co-disposal.

WRI is also involved in the development of innovative technologies for the processing of coal into liquid, solid and gaseous products which can substitute for conventional transportation and industrial fuels. As such, a strong coal research and clean coal program is recommended.

C. Alternate Fuels

WRI, as the technical expert for alternative petroleum resources of oil shale and tar sand, is contributing to fossil energy research in advanced process analysis, new technology, and environmental mitigation of in situ recovery technology. Oil shale is a very large substitute fossil fuel material for crude oil, the latter being the most abundant and critical resource for transportation fuels in the U.S. Advanced process technology (APT) research in these areas of fossil energy research and development is vital to development of second generation technologies.

Coal, as one of the nation's most abundant and dispersed resources, is a viable source of liquid and gaseous fuels for the future. However, due to its physical and chemical makeup, additional research is needed to reduce extraction costs and environmental impacts in order to compete with conventional oil and gas.

UCG, as part of a balanced fossil energy program, requires continuous attention because of the opportunity for future commercialization. Models have been prepared to predict the groundwater contamination potential for the cost shared Rocky Mountain #1 field test scheduled to be conducted this year. An ongoing program of groundwater monitoring is required to meet state environmental requirements and to verify model predictions. Optimization of research and completion of the Rocky Mountain #1 test, including post-test environmental monitoring, are important to assuring long-term supplies of gas for the nation. Resources should also be devoted to integrate all field data into the UCG national technology base to complete technology transfer for this vital alternative energy option.

D. Cooperative Venture Research and Development Pools

The utilization of joint ventures between industry, government, and research and development organizations is an excellent means for the federal government to leverage its limited funds on projects that enjoy some private sector support. This method of funding is especially applicable to research and development projects ready to move into the demonstration phase. Increased funding in this category should be considered. Potential cooperative ventures of specific interest to WRI include:

1. demonstration of pyrolysis and mild gasification technology on western and eastern coal;

2. demonstration of the use of oil shale-derived additives for enhancing the life of conventional paving asphalt;

3. demonstration of recycle oil and pyrolysis extraction (ROPE[C]) technology on eastern oil shale; and

4. demonstration of radio-frequency extraction of oil from oil shale.

V. RECOMMENDED FISCAL YEAR 1988 FUNDING LEVELS

As previously stated, we encourage the Subcommittee to fund the WRI/Department of Energy cooperative agreement at the agreed to level. It is well understood that budget deficits must be controlled. As a result, the nation has been forced to carefully examine its domestic spending alternatives. Because of low energy prices, the need to conduct essential energy programs have been given a low priority. The following recommendations reflect a strategy that accepts the fact that there are limited fiscal resources, and proposes "doing only what is essential."

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Oil Shale[1]	$ 17.0 million
Tar Sand	2.25 million
Underground Coal Gasification	5.0 million
Advanced Process Technology	10.0 million
Clean Coal	199.1 million
Cooperative R&D Venture Pools	12.5 million
Advanced Research and Technology Development	32.4 million
Mild Gasification and Co-products	7.5 million
Enhanced Oil Recovery	17.0 million

(1) Includes eastern and western programs

Thank you very much for your interest in Western Research Institute. Please let me know if additional information is required or if I can in any way be of assistance.

Sincerely,

Wesley E. Barnes
Chief Executive Officer

Statement of Mary L. Good, Immediate Past President, American Chemical Society

The American Chemical Society appreciates this opportunity to present its views on the Department of Energy's FY 1988 budget request for coal research within the Fossil Energy Program. The Society commends the Subcommittee for its support of Fossil Energy R&D.

The United States currently needs advanced clean coal utilization technologies for electricity production for three reasons: 1) to reduce our dependence on foreign energy sources; 2) to improve the balance of payments; and 3) to eliminate the negative impact of coal use on the environment. In the future, the U.S. will need advanced coal conversion technologies to produce transportation fuels and chemicals. These technologies will be based on a program of long-term coal conversion research. It is vital to increase and stabilize this research in order to provide a long-term technology base to satisfy the above needs.

Based on these considerations, the ACS recommendations are as follows:

- Advanced research in coal conversion should receive a sustained, real annual growth of 5 percent. Support for long-range coal research should be a high priority in the Fossil Energy program.

- Other Fossil Energy programs should be restored to their FY 1987 levels to enable research results to be tested on a realistic scale.

The energy security of the U.S. is presently in danger. Our society is dependent on foreign supplies. During 1986, the U.S. has witnessed supply manipulation of its primary energy source--petroleum crude oil--by foreign nations. The most dangerous result of this foreign manipulation was the reduction in U.S. exploration for new crude oil. The number of active drilling rigs declined to a 45-year low of 663 in July 1986 versus a December 1981 figure of 4,530. As U.S. imports rose during mid-1986 to a level near 40 percent, domestic production fell by greater than 300,000 barrels per day. With an increase of 3 percent in domestic petroleum use during the past year, one can only speculate as to how soon it will be before long gas lines again appear at our pumps.

Coal reserves in the United States represent a substantial, but poorly utilized energy resource. Efficient methods of generating energy from coal are vital as a defense against external control of crude oil supplies. The key issue is not exploration or procurement of this resource. The key issue is a continued and stable research climate which will allow the development of the needed technology to exploit this resource. Advanced coal technology has the potential to lead to new processes in which coal is used in an environmentally safe and cost effective manner. Long-term coal research also provides the knowledge base to better understand and eliminate polluting species in coal.

In addition, coal technology is an area where the U.S. can improve on its balance of payments. Raw coal is a significant export today. Expanded usage can be promoted by improved coal conversion technology. The U.S. also could compete in the world market place to supply such technology. We now have the best coal conversion technology in the world. However, the U.S. will lose this competitive position with continued reductions in its research efforts, compared with the aggressive Japanese development activities. Successful competition in the world market place means jobs.

The fluctuating funding of coal research during the last decade reflects the unstable supply and demand problems in petroleum. The United States will not generate the knowledge base to develop any technology with this approach. We have seen a number of scientists develop an interest in coal and start programs in our academic and industrial laboratories in the late 1970's. As the educational cycle allowed graduate students to complete their research projects, the newly trained individuals could only view their future as tenuous in the field of coal research. Most could see senior professors and scientists in the field struggling to keep efforts going while industrial laboratories shifted their emphasis to near-term profit objectives and at the same time government funding declined.

The instability of the coal programs has driven most of the bright and motivated individuals into other areas of research. Thus, the process of developing high technology in the field has slowed considerably. The fluctuation of the programs has also inhibited our competitive edge in coal technology in comparison to other developed countries.

The challenge to maintain a competitive position in coal technology cannot be borne strictly by the academic community. A federal commitment to maintain and enhance our scientific base must be attractive enough to encourage small industries and publicly held corporations to compete in future programs.

If the United States is to use its vast resources effectively and maintain a technological edge, stable, continuous, long-range coal programs are needed to provide a sound foundation upon which to build. The selection and implementation of coal process alternatives cannot be done during a crisis period. An extended period of stable research environment will be necessary to develop experts with the capabilities to perform the task and see it through to commercial reality.

The ACS recommends that the FY 1988 Fossil Energy budget items for advanced coal research (coal liquefaction advanced research, surface coal gasification advanced research, and advanced research and technology development) be

increased by 5 percent over inflation. This increase should be maintained in future years. Also the Society recommends that the remainder of the Fossil Energy budget be restored to the FY 1987 appropriated level. (The accompanying Appendices I and II give a budgetary history.)

The American Chemical Society urges your continued support for adequate funding of Fossil Energy programs. The Society would be pleased to discuss its views with you and the Subcommittee at your convenience.

STATEMENT OF VINCENT J. COATES, JR., VICE PRESIDENT, MAGNETOHYDRODYNAMICS INDUSTRIAL FORUM

Magnetohydrodynamics (MHD) is a technology being developed by the United States and other nations which will produce a coal burning electric power generation system having significantly higher efficiency, lower environmental intrusion and lower generating costs than existing or planned conventional electric generating plants. With the technology base being developed in the MHD program, an early commercial MHD plant can be built and operated in the first half of the 1990's which will generate electricity from coal at an efficiency of about 45 percent as compared to an equivalent conventional system with fuel gas desulfurization of around 34 percent.

Studies conducted in the United States and in the Soviet Union indicate that with modest advances in the technology, efficiencies in the 50 to 60 percent range could be achieved by the turn of the century. The environmental benefits of MHD, based on both analytical studies and experimental verification, indicate that SOx, NOx, and particulate emissions levels will be substantially less than the limits established by the New Source Performance Standards (NSPS). Additionally, a high efficiency MHD plant will have less discarded heat, will require less cooling water, less coal will have to be transported, and less pollutants will be discharged to the atmosphere.

The MHD development program is being conducted under a plan prepared by the Department of Energy (DOE) in consultation with Industry and submitted to the Congress in June 1984. The plan calls for integrated proof-of-concept (POC) testing at the Component Development and Integration Facility (CDIF) and the Coal Fired Flow Facility (CF^3) leading to the design, construction and operation of an integrated coal fired MHD unit retrofitted to an existing commercial power plant.

In late 1986, DOE, through its Pittsburg Energy Technology Center (PETC), began implementing the plan with the announcement of four competitive procurements which it expects to award between June and September 1987. These planned awards are: (1) A contract to provide to the CDIF components for an integrated topping cycle, a test plan and supporting engineering activity during long duration testing. The cost of this program is estimated to be $30 million over four years (2) A contract to provide components for an integrated bottoming cycle to be tested at the CF^3 for long durations. The contract also provides for an air heater and an automated system for seed recovery. This program is expected to cost $1.5-2 million over two years. (3) A contract to perform a conceptual design of an MHD retrofit unit. The cost is anticipated to be $1.5 million over eighteen months. (4) A four year, $7-8 million two phase seed regeneration development program is to be awarded to include laboratory development work on several processes followed by the selection of one process for proof-of-concept testing. In support of these activities, experimental testing, analysis and other work will be continued at various academic and industrial contractors and Argonne National Laboratory. Experimental testing, analysis and other work will be continued in support of the overall POC activity.

To perform this work in an optimum manner within a schedule that would allow construction of a retrofit unit to commence in four years will, in our judgement, require an annual budget of about $40 million. Since, such an amount may be unrealistic in light of the nation's severe fiscal situation, we recommend a budget of $34 million as the minimum needed to make progress on the DOE/Industry plan in FY 1988. We believe this figure to be realistic

since the assistant secretary for fossil energy called for $29.8 million to initiate the program in his letter of 7 June 1984, transmitting the DOE/ Industry plan to the Congress. Unfortunately, DOE failed to begin implementing the plan until late 1986 -- a delay which obviously resulted in increased cost.

In FY 1986 Industry's contribution to the MHD development was 16% compared to the 10% required in the FY 86 Interior Appropriations Act, and it is prepared to contribute 20% in FY 87. To continue with the declining budget which MHD has experienced over the past years will only further delay development activities, seriously slow down the POC program, create morale problems in the MHD community and encourage the organizations now participating in the cost sharing program to question the government committment and the advisability of continuing their investment in time and resources.

The committee is asked to note the increasing foreign interest in MHD power generation. While the Soviets continue their aggressive development program including the design of a 500 MW MHD power plant, the Italians are completing the formation of a government/private sector consortium to develop, design, build and operate a retrofit plant. MHD development is ongoing in Japan, China, France, Australia and other countries. Over 32 papers from foreign groups have been submitted to the organizers of the 25th Symposium of the Engineering Aspects of MHD to be held in Washington in June, 1987. Unless the United States adheres to a properly funded program focused on specific time for operating a MHD unit retrofitted to a commercial power plant, it is likely the nation will forfeit its lead in this high technology and new market opportunities to other nations.

RECOMMENDED OPTIMUM MHD BUDGET

FY 1988

Topping Cycle Integration*	8.0
Bottoming Cycle Integration*	1.0
Conceptual Design*	1.0
Seed Regeneration*	1.0
CDIF	10.5
Avco Research Laboratory	3.5
TRW	2.5
Babcock & Wilcox	0.3
CFFF	7.75
Argonne National Laboratory	0.8
National Magnet Laboratory MIT	0.25
Mississippi State University	2.00
Support Contractor	0.5
DOE HQ Tax	0.9
TOTAL	40.00

* New 1987 Procurement

STATEMENT OF DONALD R. GLENN, VICE PRESIDENT, ENERGY RESEARCH CORP.

I. STATEMENT SUMMARY

The molten carbonate fuel cell (MCFC) program is advancing to where ERC can envisage a demonstration of this sensational power producing technology by 1990. The progress-to-date confirms that all predicted technical, environmental, economic and energy performance benefits are achievable. This, being no secret, has fostered very high interest and competing programs in other countries, Japan being the closest to overtaking the U.S. lead.

Demands for increased generation capacity in the mid-1990's will not be met by new central station (nuclear- or coal-fueled) powerplants due to their long-lead times and the present absence in new orders. Thus a greater pressure is mounting for incremental additions and stand-alone plants in the 1-50 MW sizes. From among the options, MCFC-based power generators are clearly superior, based on annual owning and operating costs, energy efficiency and ease of siting. First opportunities for these capacity additions will favor natural gas-fueled systems; coal gasification systems, as presently specified, are directed to 100-500 MW installations, a post-1990's scenario. ERC suggests that early MCFC applications and thus the R&D program recognize this issue and direct the efforts accordingly. The ERC Direct Fuel Cell (DFC) is ideally suited for this first market as a direct user (without additional external equipment) of methane-containing gas fuels. The coal option, a later need, can also be served by MCFC/DFC but will require some 2-4 years of additional research as this fuel's interactions with MCFC stacks is more challenging to the materials contained in the stack construction. ERC believes these hurdles are solvable but will require some more time and research support.

Progress at ERC, on DFC components and stacks, continues to reassure that our previously-reported optimistic claims of performance and availability are indeed accurate. With the added confidence of two more stacks, now under test, the ERC DFC powerplant efficiency projections are now at 68% (up from 55%) due to component and system improvements identified during 1986.

The partnership of several utilities, EPRI and ERC remains stable in the promised funding for FY 1988 despite the gloomy overall financial problems of utility R&D budgets, attesting to their confidence in the DFC concept. Unfortunately, the proposed FY 1988 DOE Budget Request for the MCFC/DFC program refuses to recognize this technology's promise, in the national interest. Also, to realize an early commercialization opportunity, the Federal program should be adjusted to promote MCFC/DFC use with natural gas initially, followed by coal-based gas fuels. This would result in a 2-4 years compression to reach a first field test of the technology and commensurate inducements for heightened private sector investment awareness.

There are only a few (three at most) U.S. firms in a position to complete their respective MCFC stack and system concepts. With stiff competition from foreign interests, ERC urges that the U.S. effort be maintained with vigor until the technical issues are further along before a reduction in contractors (and U.S. competitive capability) is justified. To this end, ERC suggests a FY 1988 (and FY 1989) MCFC/DFC appropriation of not less than $15 million.

II. MCFC/DFC Program Justification

The molten carbonate fuel cell (MCFC), and particularly, ERC's Direct Fuel Cell (DFC) will dramatically impact utility,

industrial and commercial power markets, when finally available. Though said many times before in numerous publications and before Congress, MCFC/DFC systems

- o are very efficient with over 70% electric conversion and 15% thermal energy production potentials from gaseous fuel feedstocks.
- o are quiet, odor-free and non-polluting to allow full siting freedom at virtually any location
- o power costs, as cost-of-electricity, are able to compete (and beat) any known generation scheme except possibly hydropower
- o have high reliability due to a minimum number of moving parts within the system
- o can load-follow from approx. 30-100% rated capacity with no loss in generation efficiency
- o are modular to provide ease of accommodating load growth (or loss) for changing customer demands
- o have multi-fuel using capabilities with little or no impact on continuous operation
- o offer a high grade, clean thermal energy by-product (at $\sim$1200° F) for cogeneration or bottoming cycle opportunities, resulting in total achievable energy efficiencies of up to 85%.

That's the good news; the bad news is that this technology can be developed and available sooner than is now predicted, based on the present program directions. This is discussed later in this Statement.

Each of the points stated above, are not idle boasts anymore. ERC, and others, have verified, through laboratory and subsystem testing, that MCFC/DFC systems are compliant with these features. Moreover, our chief global competitor, Japan, has been convinced for some time and are mounting a high priority R&D effort with over $350 million in funding (over 5 years) with five of their leading companies pursuing concurrent R&D programs. Other countries including Italy and Holland are also in various stages of MCFC program execution. Technically, the MCFC/DFC concept is the preeminent new generation scheme of our time and should receive attention commensurate with its societal and strategic potentials.

There is virtually universal agreement among utility and energy forecasters, that present generation capacity reserve margins will be gone by the mid-1990's. Even now, there is widespread acknowledgment that the "energy bubble" has finally burst and the need for additional fossil energy production is upon us. These are ominous signs that should not go unnoticed. While SDI may be the military defense priority program, the fact is, with 30% of our energy coming from foreign sources, this can be a more cancerous enemy, eating away at our industrial and economic foundations. We are already seeing the start of a firming OPEC cartel and related pricing strategies supported by non-OPEC oil-producing countries - Mexico, Russia and Egypt. Our other defense, energy security, should be treated as a second "shield" from incoming attacks on our system and given due priority by all concerned. Intimately related to energy security is industrial security. As with energy supplies and prices, our industrial base depends on raw materials processing into intermediate, or semi-finished products such as plastics and metals. Here, too,

dependence on these resources for final product manufacture, is trending to foreign sources. The common linkage is energy. To have a secure industrial sector, a renewed national policy is mandatory with specific attention on revitalizing our heavy industries and their energy supplies, particularly natural gas- and coal-fed technologies as these are widely available and secure domestic resources.

Both the manufacturing industry and utility sectors prefer natural gas for incremental increases in generation capacity, dispersed generation, on-site/stand-alone power and for cogeneration as evidenced by historical and current practices. Coal is a preferred energy choice for larger (> 100 MW) utility installations (base-load) or where coal is a process fuel, as in steel-making. ERC projects DFC availability first configured as an onsite or cogeneration system, closely followed by up to 4 MW powerplants in the next five years. There is a very compelling argument to be made for directing DFC/MCFC to natural-gas applications initially. The major issues for this emphasis in first demonstrations and commercialization are:

- o DFC ability to directly accept and convert natural gas (methane) to power
- o the existing investment in natural gas pipelines and distribution networks covering virtually every area in the U.S.
- o energy prices for natural gas will remain low or certainly competitive and couple with DFC to yield a very attractive COE to users
- o coal gasification is economic only for very large industrial plants and central station applications, both of which are not expected to be in great demand before the end of this century assuming a "business as usual" outlook
- o lessen dependence on petroleum-based fuels for non-transportation applications such as diesel fueled motor-generators and turbines.

For these reasons, the MCFC/DFC R&D program needs to be reassessed and planned as an evolving advanced generation concept where methane-containing gas fuels are initially specified followed by coal gas fuels. Fortunately, with methane gas fuels, MCFC/DFC systems can be simpler designs thereby reducing risk and shortening the time to reach a field verification test status and first marketing opportunities. Given the earlier stated scenario of power needs, MCFC/DFC can't come along too soon! To reiterate, MCFC/DFC is not dependent on demand growth for coal-derived fuels. To the contrary, this technology is most efficient and develops a "best" economic representation when fueled by natural-gas or other hydrogen-containing gas fuels, i.e. biogas. However, DFC will be capable of integrating with the widest range of coal gasifier designs where the methane fraction in the gas output varies depending on the process technology employed.

From the fuel cell developer's viewpoint, matching MCFC/DFC R&D to this future makes eminently better sense as it provides earlier first markets to amortize the R&D investments and allows the additional research time for the coal-gas/fuel cell integration to be completed in-phase with projected coal-based generation needs.

III. DFC PROGRESS AND ACHIEVEMENTS IN 1986

ERC is developing a MCFC stack design targeted to be flexible in covering applications using natural gas and coal-based gaseous fuels without the need for an external reformer and associated hardware. The intended powerplant designs will range upwards, from a 100kW on-site configuration to multimegawatt centralized utility and low megawatt-sized cogeneration plants. Overriding this approach, the ERC philosophy is to reduce MCFC development time to reach an early commercialization entry. To accomplish this, the DFC stack and its components are a low risk, simple design with the added bonus of processing methane-rich fuel gases directly within the anode compartment. This feature alone contributes approx. 10-15% additional electric efficiency points over conventional reforming fuel cell systems.

ERC continues to make measurable and dramatic progress in DFC component and stack development. In 1986, two stacks were assembled and placed into test regimens that are to continue into 1987. The primary objective of our first (10-cell) DFC stack effort in 1985 was to verify 1) that essentially all of the available methane in the incoming natural gas fuel was reformed within the anode compartment; 2) that thermal balance/autothermal operation was achieved, and that leakage was within specified tolerances; and 3) that output (1KW) for the 1 square foot area stack was as expected.

These major goals verified, the current series of stack tests are probing less dramatic but very critical issues. These include verification of predicted dimensional tolerance stability cell-to-cell, plate and matrix compression effects on contact resistance, validation of the gas manifolding seal design, and determination of compliance requirements for manufacture of cell and stack hardware. Another important element gained in this test series is developing procedures for preparing component and stack assemblies, start-up and operation, and shutdown. While ERC must further examine a higher cathode end cell resistance than found within the centrally located stack cells, we have reduced the average cell internal resistance (or power loss) by about 300 percent.

IV. PLANS FOR THE DFC PROGRAM IN 1987

This year (1987), the current stack tests will be terminated and intensive post-test analyses and evaluations will determine the component design confidence for the anode, cathode, and sealing approach, as well as stack assembly and operating compression levels. Important accomplishments for these tests are to minimize internal electrical resistance and gas pressure drops, maintain high methane conversion, and to optimize catalyst loading provisions. Concurrent with this effort. ERC plans to build and initiate operation of a stack comprised of 30 to 60 cells (1 square foot active area) to further evaluate stackability, dimensional stability and performance. Finally, we will embark on design and implementation of a component scale-up facility.

Complementing the technology development efforts, ERC continues to conduct economic and energy performance studies of dispersed power plant designs. In 1985, ERC/Fluor formulated the design for a 2 MW dispersed power generating plant based on ERC's DFC concept. Hardware costs were estimated at that time to be 800$/KW for the hardware, and a total installed cost of $1,335/KW. The plant produces an electric efficiency of 55 percent utilizing natural gas.

In 1986, ERC added a new "black box" called a hydrogen transfer device (HTD) -- actually a phosphoric acid fuel cell stack operating in reverse -- to recover the unused 20 percent hydrogen from the anode exhaust. This innovation causes a slight capital cost increase (<1%), but results in a plant efficiency increase to 68 percent. This translates to a projected savings of about 100$/KW in the owning and operating (or total) costs annually.

The second important accomplishment in the systems area is the development (with ERC funds) of a sophisticated computer code. This simulation tool is capable of evaluating DFC-produced power in conjunction with any current or advanced coal gasifier technology. The model accepts detailed performance and economic factors and produces evaluations of operating optimizations, forecasts sets of resulting capital and operating costs, as well as energy produced. As an example, one simulation projected that a 50MW DFC powerplant coupled to a U-GAS™ or Texaco Gasifier would provide electricity at 4.76 and 4.95 cents/KWh respectively, using Illinois "C" bituminous coal with hot gas cleanup and ERC's new HTD (discussed above).

Thus, the DFC program continues to meet or exceed our expectations as a highly efficient, reasonable cost power producer with potential for sensational results for utility and customer-owned installations where natural gas, methane or coal-gas fuels are available.

V. ERC VIEWS ON MCFC-BASED DOE R&D PROGRAM

MCFC/DFC stacks are working and verifying the dramatic performance potentials we have been predicting for this technology since 1979. Despite all these indications that ERC's Direct Fuel Cell (DFC) program is on track, the DOE Budget Requests remains artificially low. It fails to provide Congress with the overdue message of the importance to our future power needs that MCFC/DFC will satisfy.

As result of the FY 1987 Continuing Resolution, which added much needed funds (once again) and mandated that DOE compete both internal and external reforming MCFC technologies, proposals have been submitted to Morgantown Energy Research Center by several responders, ERC among them. The DOE Request for Proposal limited the stack development efforts to coal applications, the longer range fuel of choice. In doing so, the R&D efforts will require between 2-4 years additional federal support to achieve a demonstrable working stack because of the complexity of the coal gasifier/MCFC system interface. ERC concurs with an eventual MCFC capability from a coal source but sees an earlier opportunity to demonstrate our DFC if natural gas or other methane-containing fuel is specified. This has been the basis of the program plan presented by ERC to the Congress in testimony submitted as early as FY 1983 and every year since.

The Administration's FY 1988 recommendation of $5.2 million for fuel cells illustrates a desparation in finding ways to fantasize our national deficit away no matter how successful and promising the advance to, in this case, ensure a more secure energy future. The overall fuel cell R&D program, conceived under the gloomy scenario of the oil disruptions of the 1970's, is being constructively criticized for not providing concrete, measurable contributions to our country after funding many millions and some 13 years of federal and private sector cooperative undertakings. The fact is that the first generation (PAFC) fuel cells can and do work, but falling energy prices and lower energy demands could not have been predicted, only five years ago. PAFC, as a non-oil dependent power generator is a viable option even if only marginally more efficient than diesel- or gas-turbine systems.

MCFC, and DFC, on the other hand, are a "leap-frog" improvement over present power producers, and will have a major national impact no matter what the coming energy challenges hold for the U.S. and the World. The doubling of electric efficiency, the virtual absence of polluting emissions and noise, its expected low cost-of-electricity to owners and consumers and ease of compliance with all siting restrictions are overriding arguments for a higher research priority for the second generation (DFC) program.

Other countries have "seen the light" and are well-along in their respective MCFC research. Although still behind the U.S., these countries are certain competitors in this traditionally American-led equipment market. The deficiencies in projected domestic generation capacity, starting in the mid-1990's, expressed by public and private interests are consistent and sobering. Both small and large industries and utilities require new generation if even the most conservative prognosis materializes. What other new technologies can be confidently ready?

ERC strongly urges the Congress and the Administrations now, and just ahead, to fully fund the DFC/MCFC program to research completion followed by prudently selected cost-shared "semi-works" projects, vis-a-vis a clean coal technology-type national effort, at the earliest practical opportunity. There are only a very few true advances with favorable energy, economic and environmental worth embodied in a single concept. For FY 1988 (and 1989), a minimum level of $15 million for DFC/MCFC technology programs should be appropriated. Further, with only a few U.S. firms in a position to technically develop the MCFC/DFC hardware, ERC believes it is in the national interest that each of these organizations be encouraged onward, at this juncture. With so many foreign companies receiving their respective government's support, the U.S. effort should not arbitrarily reduce the potential American competitive potentials ... yet.

STATEMENT OF PEGGY MILLER, COUNSEL TO THE PRESIDENT, NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY

Mr.Chairman, Senators, my name is Peggy Miller. I am the Counsel to the President for the National Center for Appropriate Technology (NCAT). NCAT is a private, non-profit corporation involved in technology transfer of renewable energy, energy conservation, sustainable rural community and building technology systems. We manage government and private contracts in this regard, one of which is the Department of Energy's National Appropriate Technology Assistance Service, NATAS. I am here today to recommend a $1.5 million funding level for NATAS in the FY 1988 budget of the Department of Energy.

NCAT recommends that this Subcommittee return the NATAS budget to the level of $1.5 million, which represents the same level as that in FY 1986, and $100,000 more than last year's level of $1.4 million. This will cover the $1.4 million operating costs of NATAS and provide $100,000 to respond to a substantial increase in requests for help in dealing with residential energy conservation problems related to moisture and indoor air pollutants.

Many NATAS users are working to improve the energy-efficiency of their homes through weatherization, but need assistance in using methods and technologies that won't cause indoor moisture and indoor air pollution to result. More detailed evaluation of existing research in energy-efficient ventilation, including applications, installation and economic evaluation, is required to present the best information available at this time for this

continuing problem. While substantial new research is clearly needed in this area in the future, the additional $100,000 will allow NATAS staff to compile available data, perform analysis, and prepare information for transfer to NATAS users who need guidance today.

I raised this problem last year in my testimony because the NATAS staff was very concerned about it even then. I ask this Subcommittee once again to consider additional NATAS funding for this critical need. Senior citizens are the main user group bringing this problem to our attention. Many of them have spent their own time and money weatherizing their homes, only to find that moisture and air quality problems have increased significantly. The answer is not to forget weatherization, but employ it properly and include adequate ventilation. NATAS is in the best position to provide the general public with the best available information in this regard.

The remaining $1.4 million will maintain the current annual operating costs of NATAS, even with an anticipated increase in normal requests. Its national toll-free lines, staff of 27, and consumer fact sheets will continue to offer the public high quality technical engineering and business assistance on renewable energy and energy conservation.

NATAS opened its toll-free lines on May 1, 1984. As of December 21, 1986, NATAS has responded to more than 25,000 calls (including publication requests) and assisted more than 20,000 requestors with site-specific needs.

As NATAS continues into its third year, it is clearly becoming what it was established to be: an engineering and business development assistance program. While general information questions are declining, there is a more than off-setting increase in engineering cases, particularly in this current quarter. Engineering cases have increased by 42% over the same quarter last year, and represent 71.1% of the total 2,098 cases received in this quarter (compared to 58.5% of the total [1795] in the same quarter last year). Business development assistance cases also increased in this first quarter over the first quarter of last fiscal year by 9%.

The increased demand for engineering assistance is related to the recent success of new promotional activities. The numbers should grow throughout this fiscal year due to other planned promotional activities.

NATAS completed 7114 cases in Fiscal Year 1986. Projections based on the recently completed first quarter of FY 1987 show that NATAS numbers could reach a new fiscal year level of 8309, a 16.8% increase. But, more importantly, this level includes the projected 42% increase in engineering cases which require far greater time and attention to detail than the general information cases.

NATAS staff is able to handle this projected increased caseload while remaining within its $1.4 million operating level due to continuing economies of management.

The most frequent users of NATAS are individuals (64%), commercial/industrial (16%), government (16.6%), and non-profit organizations (3%). We have included a catagorization of NATAS users by state and region as Attachment One.

Technical assistance trends changed significantly during the quarter. In the past three months, NATAS experienced a sudden and complete drop in requests for solar thermal technologies, while requests about energy conservation in buildings rose

noticeably. This change seems to be directly related to our tax policy changes ending the credits for renewable energy systems use. The most frequent requests in this quarter were for HVAC systems (420 cases), weatherization technologies (282), and new energy-efficient construction (74). (See Attachment Two.)

The most frequent NATAS services provided were resource/technology assessment (25%), and products/materials analysis (13%), but there was a good general distribution (See Attachment Three.)

NATAS quality assessment indicates continuing high approval by requestors. Questionnaires are mailed along with each engineering and business development response; 30% of the users responded (a very high percentage for a questionnaire of this type). These questionnaires yielded the following result: 71% of the users rated NATAS as excellent, 25% rated the service as good, and only 1% rated the service fair. (See Attachment Four for example of form.)

NATAS continues to produce papers and factsheets on topic areas of interest. NATAS business development staff, in addition to handling their caseload, conduct sessions in the national innovation workshops sponsored by DOE. One paper of interest which they produced last year is: "Cogeneration: Industry Overview and Financing." Technical staff prepared numerous fact sheets for distribution. Two of these, "Combustion Appliances in Energy-Efficient Homes" and "Energy-Efficient Windows: A Consumer's Guide" are included as Attachment Five.

NATAS revised its reporting system for Fiscal Year 1987, enabling an even more rapid retrieval of information. The computerized system has added new codes and, therefore, can provide a more detailed analysis of trends. Monthly reports are sent to each of the State Energy Offices. Should any of you as policy makers be interested in receiving reports, NATAS will be pleased to send them to you.

Overall, it has been a strong year for the NATAS program, and we look forward, with your support, to an even better year in FY 1988.

NCAT sees NATAS filling an increasingly more vital role in the next several years. We realize, as you do, that we have only a few more years before the world oil production peak will be reached, when prices will rise, political forces will be brought to bear and the United States, the consumer of over one-quarter of the world's oil, will be forced to turn to imports from OPEC countries for the supply of our needs. Even as we are speaking, our reliance on foreign oil is increasing once more.

In particular, NCAT warns that without renewed commitment to research and development in conservation methods and technologies, our nation's ability to effectively employ and expand them will continue to weaken. We now know that energy conservation and production of renewable energy sources can have a great impact on our energy supply situation. We need to do more.

These next few years, when the door is still slightly ajar to research, development and technology transfer of alternative sources within a fairly calm atmosphere, when prices are still fairly low and supplies are ample, should be a time of even stronger encouragement of energy alternatives and energy conservation. NATAS can help by continuing to provide the public with technical assistance in this regard.

I encourage your continued support for this program.Thank you for your time and attention to this testimony.

STATEMENT OF THE NATIONAL CONFERENCE OF STATE LEGISLATURES

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I WISH TO SUBMIT THIS STATEMENT AS PART OF YOUR HEARING RECORD IN REGARD TO THE FY 1988 FEDERAL BUDGET. MY NAME IS MARY MUSHINSKY. I AM A MEMBER OF THE CONNECTICUT HOUSE OF REPRESENTATIVES. I ALSO SERVE AS THE CHAIR OF THE ENVIRONMENT, NATURAL RESOURCES AND ENERGY COMMITTEE OF THE NATIONAL CONFERENCE OF STATE LEGISLATURES ON WHOSE BEHALF I AM OFFERING THIS STATEMENT.

I WISH TO BRIEFLY SUMMARIZE FOR YOU OUR CONCERNS OVER SELECT PROPOSALS INCLUDED IN THE PRESIDENT'S FY 1988 BUDGET REQUEST. SPECIFICALLY, THE PRESIDENT PROPOSES TO RESCIND $112 MILLION IN 1987 AND TOTALLY ELIMINATE FUNDING FOR FOUR KEY ENERGY CONSERVATION PROGRAMS IN 1988 - LOW INCOME WEATHERIZATION, THE "SCHOOLS AND HOSPITALS" PROGRAM, STATE ENERGY CONSERVATION GRANTS AND THE ENERGY EXTENSION SERVICE. I WOULD LIKE TO CITE A PORTION OF THE BUDGET DOCUMENT WHICH INCLUDES WHAT SOME MAY BELIEVE IS A RATIONALE FOR THIS REQUEST: "STATES RECEIVED $2.8 BILLION THIS PAST YEAR FROM THE SETTLEMENT OF CASES INVOLVING PETROLEUM PRICING VIOLATIONS UNDER THE OLD PRICE CONTROL PROGRAMS. CONSEQUENTLY, NO NEW BUDGET AUTHORITY IS PROPOSED FOR THESE GRANTS". UPON REVIEW OF THE ISSUE NCSL BELIEVES THAT THIS CONVOLUTED LOGIC IS NO BASIS FOR IMPORTANT PUBLIC POLICY DECISIONS. THE RELIANCE OF THE NATIONAL ECONOMY ON IMPORTED OIL REMAINS SUBSTANTIAL AND CONTINUED FEDERAL EMPHASIS ON EFFORTS TO IMPROVE CONSERVATION AND EFFICIENCY PROGRAMS IS MORE THAN WARRANTED.

SEVERAL YEARS OF LITIGATION RESULTED IN A LANDMARK JUDGMENT IN FAVOR OF THOSE INSTITUTIONS AND INDIVIDUALS WRONGED BY BUSINESSES WHICH VIOLATED THE OIL PRICE AND ALLOCATION CONTROLS OF THE 1970'S. THE STATEMENT INCLUDED IN THE PRESIDENT'S BUDGET THAT MONEY WAS DISTRIBUTED TO THE STATES, MINE INCLUDED, AS PART OF THE INDIRECT RESTITUTION FOR THESE PRICE VIOLATIONS IS CORRECT. OUR MEMBERS HAVE NO PROBLEM DISCUSSING HOW THESE ADDITIONAL REVENUES WILL BE PUT TO THE BEST USE AS THE LIST OF NECESSARY ACTIVITIES IS LONG. BUT, WE DO HAVE A PROBLEM WITH RESPONDING TO REQUESTS WHICH DO NOT COMPLY WITH THE SPIRIT OF THE EXXON AND STRIPPER WELL DECISIONS OR WITH THE INTENT OF THE CONGRESS.

THE FEDERAL COURTS HAVE WISELY RULED THAT THE OIL OVERCHARGE DOLLARS PROVIDING INDIRECT RESTITUTION SHOULD SUPPLEMENT, NOT SUPPLANT, THE FEDERAL

CONTRIBUTION TO THESE ACTIVITIES. STATES HAVE DEALT WITH THE ADMINISTRATIVE LIMITATIONS IMPOSED ON THE USE OF THESE DOLLARS. THE SETTLEMENT OF THE ORIGINAL EXXON LITIGATION DID NOT ALLOW OIL OVERCHARGE FUNDS TO BE ALLOTTED TO STATE ADMINISTRATIVE COSTS. THE STRIPPER WELL SETTLEMENT HOWEVER, PROVIDED THAT A PORTION OF THE DOLLARS REFUNDED FOR RESTITUTION COULD BE USED FOR ADMINISTRATION. THESE SAME PROGRAMS RECOMMENDED BY THE DEPARTMENT OF ENERGY AS USEFUL CONDUITS FOR PROVIDING DOLLARS TO THOSE PERSONS HARMED BY BUSINESS VIOLATIONS ARE NOW SLATED FOR ELIMINATION. NEITHER THE LITIGATION OR SUBSEQUENT SETTLEMENTS HAVE SOUGHT TO TERMINATE THESE PROGRAMS. THE LITIGATION WAS NOT BROUGHT FOR THE PURPOSE OF PROVIDING AN EXCUSE FOR THE FEDERAL GOVERNMENT TO WITHDRAW SUPPORT FOR NATIONAL RESPONSIBILITIES. THE LITIGATION WAS BROUGHT TO PROVIDE A REMEDY TO THOSE PERSONS WRONGED BY VIOLATIONS OF THE LAW. THE SETTLEMENTS HAVE THUS FAR PROVIDED A WORKABLE MECHANISM TO ACCOMPLISH THAT TASK.

I BELIEVE THAT MY OWN STATE OF CONNECTICUT PROVIDES A GOOD EXAMPLE OF WHAT CAN BE DONE WITH RESOURCES THAT WOULD NOT OTHERWISE BE AVAILABLE. THERE ARE MANY VERY WORTHWHILE ACTIVITIES THAT HAVE GONE UNFUNDED DUE TO A LACK OF SUFFICIENT REVENUES. WE HAVE RECENTLY WORKED WITH THE ADMINISTRATION TO ALLOCATE $13 MILLION IN STRIPPER WELL FUNDS TO EIGHT DIFFERENT PROGRAMS. OUR STATE HAS CHOSEN TO ADDRESS PROBLEMS IN THE FOLLOWING AREAS: RESIDENTIAL CONSERVATION PROGRAMS ($1.4 MILLION); TRANSPORTATION ($3.9 MILLION); SCHOOLS AND HOSPITALS ($2.7 MILLION); ENERGY ASSISTANCE FOR SHELTERS AND TRANSITIONAL HOUSING ($2.4 MILLION); COMMERCIAL AND INDUSTRIAL PROGRAMS ($0.8 MILLION); STATE ENERGY CONSERVATION AND THE ENERGY ASSISTANCE PROGRAMS ($1.4 MILLION); AND, INNOVATIVE TECHNICAL GRANTS FOR RECYCLING PROJECTS ($0.4 MILLION).

ADDITIONALLY, THE STATE RESPONDED TO THE EXXON SETTLEMENT BY RESERVING A PORTION OF THE $37 MILLION ALLOCATION SO THAT SPENDING DECISIONS WOULD BE MADE IN THE WISEST MANNER. EIGHTY PERCENT OF THOSE FUNDS HAVE BEEN SET ASIDE IN A DISTINCT FUND. TWENTY PERCENT OF BOTH THE PRINCIPAL AND INTEREST WILL BE SPENT EACH YEAR FOR ENERGY AND WEATHERIZATION PROGRAMS. IN ADDITION TO THAT ACTION OTHER DOLLARS WERE ALLOCATED TO WORTHWHILE PROJECTS SUCH AS CONSERVATION AND WEATHERIZATION FOR LARGE INSTITUTIONS ($3 MILLION), A RECYCLING DEMONSTRATION PROJECT ($3 MILLION) AND A WEATHERIZATION STUDY ($400,000).

MEMBERS OF THE COMMITTEE, NCSL BELIEVES THAT THIS ISSUE HAS BEEN SETTLED. THE 99TH CONGRESS ADDRESSED THE OIL OVERCHARGE QUESTION AND WAS GUIDED BY THE DECISION OF THE COURTS. THE RECONCILIATION LEGISLATION PASSED JUST LAST YEAR PROVIDED THAT A CONTINUED COMMITMENT WOULD BE MADE TO CONSERVATION ACTIVITIES. THE LEGISLATION PROVIDED AN AUTHORIZATION OF $200 MILLION FOR THE FOUR STATE PROGRAMS. THE AUTHORIZED LEVEL WILL BE FUNDED THROUGH THE APPROPRIATIONS PROCESS AND THE FEDERAL SHARE OF THE OVERCHARGE DISTRIBUTION. WE APPLAUD THE CONGRESS FOR PROVIDING THE NEEDED SUPPORT FOR THE NATION'S DRIVE TO LESSEN OUR ENERGY DEPENDENCE. OUR INITIAL REACTION TO EARLY STEPS BEING TAKEN BY THE HOUSE AND SENATE IS FAVORABLE. THE BUDGET COMMITTEES HAVE NOT CHOSEN TO MAKE REDUCTIONS IN THIS SENSITIVE AREA. WE URGE YOU TO CONTINUE THIS COMMITMENT AND APPROPRIATE NEEDED DOLLARS TO THESE MANY ACTIVITIES.

WE AT NCSL ARE VERY MINDFUL OF YOUR NEED TO BRING THE DEFICIT UNDER CONTROL. AS YOU KNOW, 49 OF OUR 50 STATE LEGISLATURES MUST PRODUCE BALANCED BUDGETS. THE CHARGE OF THE CONGRESS THIS YEAR IS TO MEET THE GRAMM-RUDMAN-HOLLINGS TARGET OF $108 BILLION. THIS WILL LIKELY FORCE YOU TO CONTINUE THE LIMITED GROWTH IN DISCRETIONARY APPROPRIATIONS. I SYMPATHIZE WITH YOUR TASK OF MAKING SOME VERY DIFFICULT DECISIONS. AS ELECTED OFFICIALS, WE DO NOT COME REQUESTING LARGE INCREASES - WE ASK THAT YOU MAINTAIN YOUR CURRENT SUPPORT FOR THE ENERGY CONSERVATION ACTIVITIES AND NOT BE MISLEAD BY ARGUMENTS TO THE CONTRARY. THE OIL OVERCHARGE FUNDS WILL NOT LAST FOREVER AND STATES ARE NOT IN THE POSITION TO ASSUME A HOST OF NEW FEDERAL RESPONSIBILITIES.

ALSO IN THE ADMINISTRATION'S BUDGET ARE PROPOSALS TO REDUCE FUNDING IN AREAS OF HEALTH CARE, SOCIAL SERVICES AND ECONOMIC DEVELOPMENT. IN ALL, $4 BILLION IN REDUCTIONS IS PROPOSED FOR THE STATE AND LOCAL SECTOR. THIS PROPOSAL COMES AT A TIME WHEN TWENTY-THREE STATES HAVE SEEN A NEED TO REDUCE THEIR CURRENT BUDGETS. ALMOST ONE-HALF OF THE STATES ARE UNABLE TO MEET THEIR CURRENT NEEDS DUE TO DEPRESSED ENERGY PRICES, A SAGGING FARM SECTOR AND GENERAL ECONOMIC SLUGGISHNESS. STATES WOULD HAVE EXTREME DIFFICULTY COMPENSATING FOR REDUCTIONS FROM THE FEDERAL LEVEL MADE UNDER THESE CONDITIONS. NCSL HAS PLEDGED TO ASSIST THE CONGRESS IN REDUCING THE DEFICIT AS MANY OF US ARE NOW FACED WITH SIMILAR CONSTRAINTS. HOWEVER, WE URGE YOU TO MAKE YOUR DECISIONS ON THE BASIS OF ASSESSING THE IMPACT OF CHANGES IN SUPPORT AND NOT ON CONVENIENT ARGUMENTS MADE TO CONFUSE THE ISSUE.

STATEMENT OF THE NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

Introduction

This statement is submitted for the record to the Subcommittee on Interior and Related Agencies of the Senate Committee on Appropriations on behalf of the National Association of Regulatory Utility Commissioners (NARUC).

The NARUC is a quasi-governmental nonprofit organization established in 1889. Its membership is wholly governmental and includes the commissions of the fifty States engaged in the regulation of utilities and carriers. Our mission is to serve the American consumer by assuring that the companies we regulate provide safe, adequate and affordable services.

The Association greatly appreciates this opportunity to make its views known on the Department of Energy's (DOE's) proposed Fiscal Year (FY) 1988 conservation budget and would like to extend our thanks to the Subcommittee for the action taken last year to continue the appropriation for the Least-Cost Utility Planning Initiative (LCUPI). NARUC believes this modestly funded technology transfer program will handsomely repay the taxpayers' investments in energy efficiency R&D by accruing substantial savings to America's ratepayers.

The NARUC is currently in the process of negotiating with DOE for a $120,000 grant from the LCUPI funds which will enable us to prepare a primer on least-cost planning to be used by State commissioners and staff. We are also planning to conduct a national conference on least-cost planning. We anticipate that this effort will yield long-term dividends to utility consumers for many years to come.

As noted in the Least-Cost hearing held by the Science & Technology Subcommittee on Energy Development Applications in September 1985, this Initiative will help to identify cost-effective measures for saving half the $160 billion per year spent on gas and electricity for buildings. Furthermore, the efforts that will result from this technology transfer initiative promise to save both utilities and the taxpayers tens of billions of dollars each year by postponing the need to build new powerplants. Powerplant expenditures have declined over the past decade from a high of $50 billion per year to under $20 billion per year. However, in the absence of efficiency improvements, utilities are projecting a rapid rise in powerplant expenditures for the 1990s back up to $50 billion per year. No doubt you are aware that a large percentage of these expenditures come from the U.S. Treasury by way of tax breaks.

Given these projected savings, NARUC was dismayed to find DOE eliminating the Least-Cost Energy Initiative from its FY88 budget; we strongly urge the Committee to oppose this proposal. In fact, DOE's own interviews with experts on this issue, as presented to this Subcommittee in 1986, suggest that a least-cost program of as high as $100 million made fiscal sense.

As you may know from previous NARUC testimony before this Subcommittee, energy efficiency now provides roughly one-fifth of America's energy services (based on improvements made since the OPEC oil embargo in 1973). Investments in raising the efficiency of millions of buildings, vehicles, appliances, commercial equipment and manufacturing processes have saved the American economy $150 billion per year, and eliminated the need for 13 million barrels of oil equivalent per day -- twice today's foreign oil imports. Put another way, the U.S. would be importing three times today's levels if efficiency investments had not occurred. Obviously, at that level of consumption, oil prices would remain high, OPEC would still be controlling supply, and our trade deficits and inflation rates would be quite severe.

The drop in oil prices, however, does not translate into reduced electricity rates. These rates have been rising over the past decade. This is due to the fact that oil now constitutes a very small fraction of the overall cost of electricity. Fortunately, as a result of a watershed of scientific and technological breakthroughs that have given rise to a wide range

of high efficiency technologies, there remains the opportunity to save an additional $150 billion per year on our nation's nearly half trillion annual energy bill.

We begin with this larger context because we believe the Department of Energy has failed to appreciate these facts in preparing its budget. Although the FY88 budget shows an increase of $100 million over FY87, we see a 60% cut in the conservation R&D budget and essentially the elimination of the conservation State and local assistance programs.

As Congressional reviews of these programs have shown, the State and local conservation programs are paying for themselves many times over by leveraging private investment into efficiency investments and enabling States and communities to reduce their operating costs. If anything, these programs are grossly underfunded. The General Accounting Office concluded in their review of the Low-Income Weatherization Program that changes in the program have greatly increased the number of eligible recipients, and that at present funding levels it will take upwards of a century to complete the weatherization process. While the drop in oil prices promised to provide some relief for low-income households, most experts don't expect the oil glut and low prices to sustain itself for the long-term. The reason for this is quite straightforward: U.S. oil reserves have been on the decline, the U.S. is an oil importing nation, and by the 1990's U.S. imports are projected to dramatically increase to 60% of U.S. oil consumption levels.

This persistent, long-term vulnerability due to rising foreign oil imports underscores the vital role that the Federal government should continue to play in order to enhance, not undermine, our national security goals. That such efforts are also boons to economic productivity and environmental quality make an overwhelming case for such support.

Obviously, in a perfect market of complete information, equal access to capital, the absence of Federal subsidies to competing technologies, and a host of other technical and institutional barriers, there would be little need for the State and local assistance programs. But the reality is that there are enormous barriers and, although these programs are funded in small amounts, they nonetheless serve a vital function in overcoming some of these barriers.

This is especially true of the conservation R&D in buildings, industry and transportation. Unlike the mature energy industries -- oil, gas, coal and nuclear -- which have collectively received in excess of $200 billion in Federal energy subsidies over the past half century, and continue to receive roughly $40 billion per year in Federal subsidies, identifying and realizing the investment opportunities in end-use efficiency improvements is still an evolving science and a newly emerging industry. Yet, Federal conservation R&D has already accounted for $68 billion in energy savings from just seven programs, at a Federal cost of $19 million.

In the absence of a continued, healthy R&D program we cannot expect to enhance U.S. productivity & competitiveness. This is quite evident in lighting technologies and high efficiency motors. The U.S. revolution in high technology advancements not only promises savings for users, but markets for American business. We witnessed the decline of the American auto industry over the past two decades. Japan is poised to repeat the same thing with motors, lighting systems, air conditioners, refrigerators, heat pumps, and manufacturing equipment. If we are to protect our domestic markets and international trade position, then conservation R&D programs are absolutely essential.

We are also finding conservation R&D pays dividends for resolving some of the seemingly intractable environmental problems such as acid rain and carbon-dioxide build-up. As commissioners who face the unenviable decision of increasing rates or reducing utility stock earnings to help cover the cost of acid rain pollution controls, conservation is emerging as a

viable means of reducing emissions while avoiding rate hikes and improving utilities' cash earnings. Much more work remains to be done in this area, but the concept looks so viable that the state of Wisconsin recently incorporated conservation as an integral part of its acid rain reduction program. Wisconsin found that efficiency technologies could help save $50 million per year in its effort to cut acid rain emissions by 50%.

In conclusion, I think it is important to note that while the Department of Energy is retreating from its support for conservation, both the National Association of Regulatory Utility Commissioners and the National Governors Association have identified conservation as one of the most important near term investment opportunities available to the nation. The attached Resolution in Support of Federal Research on Energy Conservation was unanimously adopted by the NARUC Convention on November 19, 1986 and expresses the need to achieve a balance in our nation's energy programs.

We believe the conservation budget has been cut too severely already -- two-thirds since 1981. In view of these past cuts, and the remaining enormous potential that energy efficiency offers now and for decades to come, we urge Congress to look at the fundamental principles that should be considered in developing a sound energy policy for this nation. Concerns should encompass questions of national security including the trade deficit, environmental, and consumer protection in the larger sense, as well as conservation of this nation's resources. In our opinion the very best way to deal with these national goals is to substantially increase funding for conservation research.

Convention Resolution No. 3

Resolution in Support of
Federal Research on Energy Conservation

WHEREAS, An energy policy that provides a balanced reliance on supplies and demand is essential to the Nation's future well being and security; and

WHEREAS, The current worldwide oil surplus and resulting lower oil prices are providing a misleading signal that the energy crisis has passed; and

WHEREAS, The ability of the Nation to adjust to future energy supply constraints will depend on the development of new energy efficient products and technologies; and

WHEREAS, The gestation period between the initiation of research and the introduction of new products and technologies into the marketplace is as long as 20 years; and

WHEREAS, A vigorous conservation research program must be given a high priority now if the Nation is to have the new technologies and products needed when energy supplies become increasingly constrained; and

WHEREAS, Increased energy efficiency is cost effective and will help achieve environmental goals including a reduction in acid rain, the "greenhouse effect" and oxidation damage to trees and crops; and

WHEREAS, The building industry, unlike the transportation and industrial industries, is not dominated by large firms which have the motivation and resources to invest in reducing their energy expenditures; and

WHEREAS, Building energy efficiency is of particular interest to public service commissioners; now, therefore, be it

RESOLVED, That the National Association of Regulatory Utility Commissioners (NARUC), assembled in its Ninety-eighth Annual Convention in Phoenix, Arizona, requests Congress and the Department of Energy to increase the funding for conservation research, particularly for the building sector, so that a balance will be achieved in our Nation's energy programs.

Sponsored by the Committee on Energy Conservation
Adopted November 19, 1986
Reported NARUC Bulletin No. 48-1986, page 6

STATEMENT OF THE AMERICAN SOCIETY OF CIVIL ENGINEERS, AMERICAN ASSOCIATION OF ENGINEERING SOCIETIES, AND NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

The American Society of Civil Engineers (ASCE), the American Association of Engineering Societies (AAES), and the National Society of Professional Engineers (NSPE), collectively representing over one-half million engineers, strongly oppose the Administration's proposed FY '88 budget cuts for the U.S. Geological Survey's important water data collection and analysis activities. We believe these cuts would limit unwisely the nation's future ability to manage its precious water resources, and could, in the long run, cost the nation more through over-built or inadequate water facilities. This is a classic case of penny-wisdom and pound-foolishness.

The cost of collecting water data is not great, but the impact of such data is immense and far-reaching. These data are critical to a wide range of problems, including bridge design, flood control, navigation, acid rain mitigation, water pollution control, and ground water contamination. How can engineers devise optimum responses, and design the most cost-effective facilities, if they have incomplete and inadequate hydrologic data? The cost of data collection, approximately one-half the Water Resources Investigations fiscal 1987 budget of $136.8 million, pales when compared to the cost of facilities which will be based on inadequate data and to the potential loss of property and life that can occur if errors in design result from use of a faulty data base.

In FY 1988 the Administration proposes $137.2 million for water resource investigations. This is slightly above the fiscal 1987 appropriation, but 10% below ($15.2 million) the level of $152.4 million needed to maintain current services. In real dollars, it continues a multi-year decline in funding for basic water quantity data collection.

The impact of reduced funding has been significant. For example, between fiscal years 1981-86, the number of streamflow gauging stations declined at an alarming rate from 17,000 to 10,740, a reduction of 37%. Under the Administration's budget proposal, this trend will continue as U.S.G.S. is forced to cut $1 million from the Federal Data Collection and Analysis Program. This comes on top of the $2 million cut enacted in fiscal 1987. This trend must be halted and should be reversed.

The U.S. Geological Survey has used cost sharing arrangements with non-federal agencies to stretch further the federal funds appropriated for water resource data collection. Whereas we believe complete federal funding is the best way to ensure continuity of data collection over multi-decade time periods, cost sharing is a feasible and attractive alternative to reduced data collection. However these efforts will be scaled back under the Administration's request of $58 million for Federal/State Cooperative Data Collection and Analysis. This budget is $2.3 million below the level necessary to maintain current cooperative services. Moreover, this $2.3 million shortfall will be matched by state cooperators for a total reduction of $4.6 million.

Another concern regarding budget cuts in the cooperative program, is the suggestion that certain decisions to eliminate cooperative gauging stations may have depended more on economic

considerations - such as whether a state cooperator will continue to contribute - than on technical merit.

We believe that the U.S.G.S. basic water quantity data collection activities are:

1) essential, because the value of hydrologic data increases with both the length and continuity of the record;

2) the logical responsibility of the Federal Government because the states cannot possibly assume the support and leadership role of U.S.G.S. for interstate water systems;

3) cost-effective, because coordinated water data collection eliminates overlapping and duplicative efforts.

Data analyses as well as research and development of new predictive techniques can be accomplished by innumerable public or private water-resource agencies, as the need arise, if the long-term basic data exists. If the data is lacking, no one, including the U.S.G.S., can manufacture it. Accordingly, this activity must be one of U.S.G.S.'s highest priorities.

ASCE, AAES, and NSPE urge the Congress, at the very least, to preserve the Federal and Cooperative Data Collection and Analysis programs at the fiscal 1987 current services level, which means an FY '88 appropriation of at least $21.9 million for the Federal data program, and $60.4 million for the cooperative program. It is important to note that simply averting further budget cuts in this area will not restore the 6,000 streamflow gauging stations that have been lost since fiscal 1981. However, further cuts could be disastrous.

AMERICAN SOCIETY OF CIVIL ENGINEERS

The American Society of Civil Engineers (ASCE), founded in 1852, is the oldest national engineering society in the United States. Membership, held by 100,000 individual professional

engineers, is about equally divided among engineers in private practice; engineers working for federal, state or local governments; and those employed in research and academia. The Society's major goals are to develop engineers who will improve technology and apply it to further the objectives of society as a whole, to promote the dedication and technical capability of its members and to advance the professional and economic stature of civil engineers.

AMERICAN ASSOCIATION OF ENGINEERING SOCIETIES

The American Association of Engineering Societies (AAES) is a multi-disciplinary organization dedicated to advancing the knowledge, understanding, and the practice of engineering in the public interest. Located in Washington, DC, AAES includes 13 member societies, 6 associate societies, and 3 regional societies representing over 500,000 engineers in industry, government and education.

NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

The National Society of Professional Engineers (NSPE) is a professional society, representing more than 75,000 engineers of all disciplines nationwide. The members are organized into 54 state and territorial societies and 535 local chapters, and work in industry, education, private practice, construction, and government.

STATEMENT OF THE AMERICAN PETROLEUM INSTITUTE

The American Petroleum Institute is a national trade association with a membership of some 215 companies and 5,000 individuals representing all sectors of the petroleum industry. We appreciate this opportunity to provide the subcommittee with our

views on the Minerals Management Service's fiscal year 1988 budget.

We wish to emphasize the opportunity the 100th Congress has to improve this nation's energy security. This opportunity, if taken, could:

- o reduce the need to import critical oil supplies,
- o lessen the outflow of capital to pay for imported oil,
- o bolster domestic employment, and
- o add significantly to the mineral revenues the federal government receives.

The opportunity lies in refusing efforts to impose or renew moratoria on the leasing of federal acreage anywhere on the outer continental shelf (OCS). Rejecting such barriers will allow offshore exploration and production to go forward, in compliance with the national policy adopted by Congress in the OCS Lands Act Amendments of 1978. Such action gains in its importance with each passing year that potentially larger resources remain closed to exploration and development.

U.S. Energy Supply Trends

Current U.S. energy supply trends underscore the urgency for finding and producing the potentially vast oil and natural gas resources underlying federal lands -- onshore and offshore. Oil prices dropped by almost half during 1986, alone. As a result, U.S. energy consumption has risen and domestic oil production has fallen -- and these trends are accelerating.

That dramatic price decline has had a serious impact on the drilling sector, with rigs in action hitting record lows in 1986. The offshore drilling, service and support industries have been especially hard hit, making it increasingly important for companies to search for oil in the most promising areas, including those federal offshore California and Alaska areas where leasing has been suspended by administrative and Congressional action.

Last year, petroleum consumption in the United States rose by 3 percent, while domestic petroleum production fell 3.4 percent (it fell 9 percent from February to December). Oil imports increased 22 percent in 1986 and, importantly, oil imports from the volatile Middle East rose 300 percent. By year's end, oil imports were nearing 40 percent of consumption. That sharp rise in dependency on foreign nations for critical oil supplies does not bode well for America's future energy security.

Projections by the government and private organizations indicate that -- if current low price and domestic production trends continue for long -- this nation could soon be more dependent on foreign oil than it was at the peak level of 46 percent reached in 1977. The National Petroleum Council, for example, estimates that, by 1990 -- just three years from now -- the United States could be importing 60 percent of the oil it needs; and, by the year 2000 -- 13 years from now -- our nation could be dependent on foreign nations for more than two-thirds of its oil.

Where must that oil come from, if we fail to develop our domestic petroleum resources? There seems little doubt that it must come from the oil-exporting countries of the Persian Gulf region. The nations of that highly volatile area hold 65 percent of the non-communist world's crude oil reserves. And, with domestic production declining and the United Kingdom's North Sea production expected to begin to decline, there simply are no sources other than those of the Persian Gulf nations to turn to.

But, this scenario could be changed -- perhaps significantly -- by the decisions this subcommittee makes on the moratoria issue.

Congressional Drilling Moratoria

Despite the language of the OCS Lands Act Amendments directing that the oil and natural gas resources of the federal offshore waters "should be made available for expeditious and

orderly development, subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs," such has not always been the case.

Moratoria have been imposed in the past six fiscal years. At one time or another, they have banned leasing in large areas off New England -- the only moratorium still in effect -- central and northern California and the west coast of Florida. It is our hope that this session of Congress will remove the remaining moratorium and will reject any efforts to impose new moratoria.

Elimination of such blanket withdrawals will make it possible for state and federal officials and the petroleum industry to explore for the resources in the most promising offshore areas, while protecting particularly sensitive areas.

Existing state and federal laws and regulations provide a vast array of environmental safeguards to assure that the interests of the coastal states, tourism and commercial fisheries are adequately protected. There is a viable system of consultation and reconciliation to settle differences of opinion. There are many opportunities provided for the coastal states to influence federal decisions on the timing, size and scope of the offshore leasing program. No geophysical boat could operate, no drilling rig go into action and no platform produce a drop of oil or cubic foot of natural gas without state and local approvals and full compliance with all applicable laws and regulations.

Strict measures are in force to assure protection of the marine water quality, safeguard the sea otters and other marine animals, minimize conflicts with the tourism and fishing industries and improve air quality standards. Moreover, a record has been established that clearly demonstrates that these measures <u>are</u> complied with ... that the environment <u>is</u> thoroughly protected during both exploration and production operations.

Certainly, it is important for all concerned to continue trying to conduct the offshore leasing program in a way that takes into account the environmental concerns of all citizens,

and of the coastal states in particular. At the same time, it is also important to remember that the petroleum resources underlying federal offshore waters belong to all of the people of the United States. They are not the exclusive possessions of the adjoining coastal states and the development of those resources should not be controlled by any single state. Federal law makes it clear that, when crucial decisions must be made, it is the national interest that must receive first priority.

Continued, unwarranted delays in leasing those federal offshore lands are not in the national interest.

The Time Factor

Time is a critical factor in moving this nation toward a more secure energy future. We have already noted our growing dependence on imported oil and the dangers of sharply increased future dependency. Thus, it is critically important for this Congress to reject further moratoria.

Any search for oil that begins today cannot result in instant production. Years are needed to lease, explore and develop an offshore petroleum reservoir. It takes at least two years under the present system just to plan for and conduct a federal offshore lease sale. Then, it often takes several years to find a new offshore field. On average, it requires eight to 11 years after a lease issues to discover in frontier areas, and then develop a new field, install the production equipment, create transporation facilities and bring the field into operation. In remote frontier areas -- such as offshore Alaska and the deeper waters off the contiguous states -- the elapsed time from lease issuance to production may run closer to 15 years.

Therefore, the United States needs to press ahead with offshore exploration to assure that dependable supplies will be available in the late 1990s and beyond. The nation cannot wait for an international energy crisis before taking appropriate

action. To do so, would mortgage our future energy security to the oil-producing nations of the tumultuous Middle East.

Taking action now to open those lands closed by moratorium and to reinstate a timely, adequately sized offshore leasing program could help secure America's energy future and bring other benefits to the nation and its people.

The Benefits of a Sound Offshore Leasing Program

In the more than three decades since the federal offshore leasing program began in 1954, only 4.3 percent of the total federal offshore acreage has been leased. Many of those leases have expired or been relinquished, with the result that less than 3 percent of the total acreage remains under active leases. Of the acreage under current lease, it is estimated that less than 1 percent is now producing oil or natural gas.

Yet operations on this small portion of federal offshore lands have benefitted this nation enormously. Between 1954 and the end of 1986, more than 7 billion barrels of oil and almost 68 trillion cubic feet of natural gas have been produced from wells in the federal offshore domain. Over the past 33 years, the federal government has received more than $84 billion in lease bonuses, rentals and royalties from those operations -- making the offshore program second only to the income tax as the largest source of federal income.

In recent years, unfortunately, petroleum production from state-controlled waters has dropped significantly. Production from both oil and natural gas wells in state waters peaked in 1970. Since then, oil production from those leases has fallen 60 percent and natural gas production by more than 40 percent. Thus, production from federal waters has become even more critical to the nation's present and future energy supplies, underlining the importance of opening those lands to petroleum exploration on a timely basis.

Development of offshore oil and natural gas reserves provides

long-term energy security for America. The U.S. Department of the Interior has pointed out that offshore wells in federal waters provide each day one and one-half times the amount of oil that the nation could hope to withdraw -- on a daily basis -- from the Strategic Petroleum Reserve.

That reserve, which at the beginning of 1987 contained some 512 million barrels of oil, represents an estimated 78-day supply of imports, were all imported oil to be cut off. The Arab oil embargo lasted about twice that long, although it involved only a portion of the total oil being imported by the United States, when the cut-off began in mid-October 1973.

The benefits of opening all federal offshore lands to oil and natural gas exploration and production, however, extend far beyond revenues to the government and a more secure petroleum supply. Studies by Data Resources, Inc., and API have analyzed the contribution of OCS energy-related activities to the U.S. economy. The studies found that those OCS activities in 1981 directly and indirectly generated more than 700,000 jobs, $25 billion in expenditures and nearly 1 percent of total economic output. In addition, the Data Resources, Inc., study found positive economic effects in all states except Vermont.

The API study analyzed the potential effects of a total ban on OCS leasing off California -- where several lease sales have been delayed, first by congressional moratoria and, later, by Department of the Interior action pending resolution of discussions with state officials and members of the California congressional delegation. The API study concluded that such a ban would negatively affect a wide variety of U.S. industries.

These include industries traditionally associated with oil and natural gas development and other industries, such as wholesale and retail trade, banking, insurance and advertising. Further, the study found that the negative effects of such a ban would be felt in virtually all 50 states. Particulary affected would be inland states, such as Ilinois, Indiana, Michigan, Ohio

and Pennsylvania. These inland states supply a large portion of the industrial goods that directly and indirectly support offshore petroleum operations. The five states noted, alone, stand to lose as many as 35,000 jobs associated with OCS activities.

Thus, just as the resources underlying the federal offshore areas belong to all of the people, all of the people will benefit from their timely development.

Summary

In summary, bans on exploration for and development of those offshore resources are both counterproductive and unnecessary. They are counterproductive in that they constrain domestic energy production at a time when the government should be acting to discourage increased reliance on foreign oil and to encourage the development of secure domestic energy supplies. They are unnecessary because of the advancement and application of exploration and production technology, which -- under existing strict federal and state laws and regulations -- assure that the environment will be protected.

The petroleum industry believes that the future security and economic welfare of this nation depend, in large measure, on successful realization of the goals adopted by Congress in the OCS Lands Act Amendment of 1978. Those goals include the expeditious and orderly development of this country's offshore oil and natural gas resources. Certainly, the job must be done with adequate environmental safeguards and with due consideration of the rights of all concerned. But, it must be done and done soon.

This is not a matter that concerns only one state or only one group of states. The development of offshore energy resources is vital to the future of all Americans, wherever they may live.

Statement of the American Petroleum Institute and the Rocky Mountain Oil and Gas Association

The American Petroleum Institute (API) and the Rocky Mountain Oil and Gas Association (RMOGA) appreciate the opportunity to submit comments on the Fiscal Year 1988 appropriations. API and RMOGA have submitted testimony in the past against the unwarranted and counterproductive effects of imposing prohibitions on crude oil and natural gas leasing and permitting on onshore federal lands.

We urge you to eliminate prohibitions on leasing in wilderness study areas from the Fiscal Year 1988 Department of the Interior appropriations legislation.

API is an industrywide trade association composed of some 200 companies of all sizes and 5,000 individuals involved in all phases of petroleum operations in the United States. Many of its members conduct oil and gas operations on federal lands throughout this nation.

RMOGA represents hundreds of large and small oil and gas companies engaged in petroleum exploration, production and transportation. Many of these member companies focus their operations in the Rocky Mountain area. They account for 90 percent of the oil and gas produced in that eight-state region. A large percentage of wilderness study lands are located within that area and RMOGA members continue to be affected significantly and adversely by federal leasing and permitting prohibitions.

This is the fifth year that a moratorium has been in effect on oil and gas operations in wilderness study areas on U.S. Forest Service and Bureau of Land Management (BLM) lands. This moratorium affects some 37 million acres directly and many millions of additional acres indirectly.

As noted earlier, such prohibitions are unwarranted and counterproductive. They are not in the national interest, especially now, when domestic crude oil production is declining

and imports of foreign oil are rising. Specifically, the prohibitions fail to recognize:

- o There is a need for updated geological data on federal lands;
- o Comprehensive environmental protection measures are already in place and it has been proven that oil and gas operations can be fully compatible with current wilderness designations;
- o Oil and gas operations are precluded under current law in designated wilderness areas. Lands under study should be assessed for their oil and gas potential before being permanently closed off to exploration; and
- o There are clear national benefits in both revenues and production generated by timely exploration and development.

Let us examine each of these four points more closely.

First, the need for updated data. The Forest Service's congressionally mandated Roadless Area Review and Evaluation studies are practically complete. The BLM's wilderness study program is now well underway and, in some states, nearing completion. The BLM and the Forest Service must make recommendations on whether the study lands under their jurisdictions are better suited for wilderness or for multiple uses that would include oil and gas operations.

Part of the decision-making process is the completion of a mineral inventory of those lands. Yet the current prohibitions under the congressional moratorium preclude leasing, exploration or production activities that would provide information on mineral potential. New geologic data have not been available to the Forest Service or BLM since many of these areas have never experienced exploratory activity and, under the moratorium, such exploration is forbidden. Thus, the geologic potential of these

lands, not only for oil and gas but for other minerals, is largely unknown.

API and RMOGA believe that updated geologic information must be considered by the Forest Service and the BLM in order to fulfill Congress' directive to conduct a thorough and orderly assessment of the mineral potential of those lands. The feasibility of oil and gas development is particularly sensitive to new developments in geologic interpretations, technology and economics.

Ours is a constantly evolving industry and new technological advancements improve the ability of earth scientists to identify, analyze, and quantify subsurface geologic data. Yet, the tangible geologic information necessary for federal agencies to assess the potential of these wilderness study areas will continue to be lacking unless drilling and other exploration activities are allowed.

If the Congress is to have meaningful geologic evaluations of these areas upon which to make thoughtful decisions about wilderness designations -- designations that permanently withdraw lands from all mineral activities -- then the Forest Service and the BLM must first have up-to-date information as to the geology of those lands.

It is also important to recognize that foreclosing tracts through wilderness designations or even through the proposed moratoria can adversely affect exploration on adjacent lands. Geologic trends do not recognize political boundaries. The withdrawal from exploration of a block of land -- such as a wilderness study area -- compromises and, in some cases, precludes the ability to define geologic features on surrounding lands. Decisions to lease and drill on adjacent lands become far more difficult and often impossible to make on an intelligent basis. Therefore, the oil and gas which may exist under those lands may not be found and brought to market.

Our second point concerns the moratorium and environmental

protection. Certainly, environmental protection was foremost in the minds of many in Congress when they first imposed the moratorium on the leasing of wilderness study areas. Experience, however, clearly demonstrates that prohibitions on leasing and permitting are not necessary, that the environment has been and continues to be carefully protected during exploration and production activities on federal lands -- onshore and offshore.

Moreover, leasing and development activities are transitory. Eighty-five percent of the time, frontier area exploration does not lead to commercial discoveries. And, even if significant discoveries are made and produced, those operations will only temporarily affect the landscape and will not permanently alter it. Once production ceases, reclamation can return those areas to a natural state.

The wide use of restrictive lease and operating stipulations by the Forest Service and the BLM assures that environmental concerns are adequately addressed. Protective measures ordained by Congress and implemented by these agencies have significantly improved the way development is conducted on public lands and today's excellent record of environmental compatibility is the result.

One of the most dramatic examples of this compatibility of petroleum operations with the environment has been the "re-discovery" of two wells drilled in a sensitive, roadless area of Wyoming in the early 1950's. These wells, originally accessed by new roads, were dry, plugged and abandoned and the areas naturally reclaimed.

The 1984 Wyoming Wilderness Act established the Gros Ventre Wilderness -- an area which included the two well sites. Because the well sites were reclaimed and undetectable, these lands were considered suitable and "untouched" enough to be included in a wilderness area. This is an excellent example to show that petroleum operations are a temporary disruption having no long-term environmentally harmful consequences.

The third point concerning the moratorium is that the deadline for leasing to occur within designated wilderness areas was reached on December 31, 1983. Under provisions of the National Wilderness Preservation System Act of 1964, any possibility that new oil and gas exploration can take place in designated wilderness areas was removed. For this reason, it is important that all wilderness study lands be carefully assessed for their mineral resources, including oil and gas, before they are permanently closed to the exploration necessary for that assessment.

Finally, the moratorium on federal lands adversely affects both domestic production and federal revenues that would be generated from leasing for and producing petroleum on those lands. As Congress considers the Fiscal Year 1988 Budget, it is important to note that onshore mineral revenues provide significant income to the government -- income that could be used toward meeting fiscal demands and reducing the federal deficit.

From 1920 through 1985, mineral leases on federal onshore lands generated almost $10 billion in royalties and other revenues. Over that same period, consumers benefited from the production of more than 7 billion barrels of oil and nearly 30 trillion cubic feet of natural gas taken from onshore public lands. In 1985 alone, mineral leases on federal onshore lands generated more than $1 billion in government royalties and other revenues and resulted in the production of some 170 million barrels of oil and nearly a trillion cubic feet of natural gas.

In Fiscal Year 1985, 27 states shared in the disbursement of some $549 million from federal onshore mineral leases -- including oil and gas receipts -- and an additional $416 million was disbursed to the Reclamation Fund.

In 1986, crude oil prices dropped by almost half from levels of the previous year. Although there has been some recovery in prices, the effect on exploration and production has been both serious and substantial. Many oil companies were forced to

significantly reduce their exploration budgets. Well completions fell by 40 percent from the 1985 level. From January 1986 to January 1987 domestic oil production dropped almost 700,000 barrels a day. At the same time, crude oil imports rose 1 million barrels a day.

Such a high degree of dependency on imported oil poses severe dangers for our national energy security. Yet one of the most economically feasible ways to lessen this degree of dependency is to find and produce significantly greater amounts of domestic petroleum. Oil companies must be encouraged to use their limited exploration budgets where there is the greatest opportunity for the discovery of commercially producible quantities of oil.

By the government's own estimate, 70 percent of the undiscovered, recoverable oil and natural gas in the Colorado Plateau, Basin and Range and 50 percent of the oil and 55 percent of the natural gas to be found and recovered in the Rocky Mountains and northern Great Plains underlie federal lands. A large part of the wilderness study lands are to be found in these regions. Congressional moratoria imposed on drilling on wilderness study lands have precluded detailed assessment of the petroleum resources of these areas.

Our nation can have the benefits of both petroleum activities and environmental protection. Experience has demonstrated that exploration can take place without damaging the suitability of lands for later inclusion in the wilderness system.

API and RMOGA urge that the opportunity for exploration and production be made available through the removal of the moratorium on leasing and permitting of petroleum operations on wilderness study lands.

Thank you for this opportunity to submit the views of API and RMOGA on removing the moratorium on federal onshore lands.

STATEMENT OF THOMAS ROBB, AMERICAN PETROLEUM INSTITUTE

Introduction

Good morning. My name is Tom Robb and I am appearing today on behalf of the American Petroleum Institute ("API"). I am an Assistant Controller for Conoco Inc., the third largest royalty payor. Joining me are three other Conoco employees who have no prepared testimony but are available to assist me in answering any questions you might have. These three people are: Ralph C. Hanna, Accounting Director of Regulatory Reporting; R. M. Robinson, Director, Regulatory Affairs for Production; R. Carol Harvey, an Attorney.

The American Petroleum Institute ("API") is a national trade association with over 200 company members representing all facets of the petroleum industry: exploration, production, gas liquid processing, transportation, refining, and marketing. Many of API's members are actively engaged in the acquisition and development of federal oil and gas leases and, therefore, are directly affected by federal royalty management policies.

Today I will address one important royalty management issue: adjustments to federal royalty accounts.

Last year when the Subcommittee took up this issue, it first suggested that federal lessees be limited to a sixty-day period for making any adjustments. But by the time Public Law 99-500 was passed, the sixty-day period was abandoned in favor of a requirement that the Secretary of the Interior study current adjustment procedures.

API endorsed the study approach insofar as we felt a rigid sixty-day period was not the answer. API continues to oppose a short, inflexible adjustment period. In the testimony which follows I will explain the reasons for API's continued resistance

to such an approach. In addition, although industry has not yet seen the MMS study, I will identify suggestions which could reduce the number of adjustments that must be made.

Problems With a Short Inflexible Adjustment Period

API continues to believe a short inflexible adjustment period is not the solution for several reasons.

First, a 60-day adjustment period cannot accommodate the wide variety of adjustments that are necessary. Adjustments fall into three categories: (1) adjustments needed because of the inherent nature of the petroleum industry; (2) adjustments needed because of government action; and (3) adjustments needed to correct mechanical and recording errors.

Let me first address adjustments arising from mechanical and recording errors. By mechanical errors I mean malfunctions of equipment such as meters. While proper inspection and maintenance of equipment can minimize such malfunctions, some malfunctions are unavoidable. By recording errors I am referring to clerical errors such as entry of wrong codes, miscalculation of volume or sales price, etc. These errors will normally be caught by buyer and seller must agree to the adjustment before differences can be settled. Here again, while supervision and training can minimize such errors, the sheer volume of information that must be generated guarantees that some random errors will occur.

Most adjustments, however, do not involve errors at all but instead reflect the inherent complexity of the petroleum industry's production, processing, transportation, and marketing operations. In this regard, bear in mind that oil and gas operations are necessarily continuous, and involve many parties other than the lessee and that some data becomes available to the accountants long after physical operations occur. As a result,

many transactions occur which rely first on estimates which are later corrected when better data becomes available. Some examples of situations where such delays in perfecting data occur are: (1) correction of sales volume or quality adjustments; (2) value corrections attributable to exercise of market out provisions or settlement of legal or pricing disputes; (3) amendments of contracts or agreements; (4) non government third party audits; and, (5) expansion or contraction of a unit.

Still other adjustments result from government actions having retroactive impacts: (1) Federal Energy Regulatory Commission orders (e.g., FERC Order 93/93A); (2) government approval procedures which create a time lag; (3) changes in transportation and processing allowances after actual costs are compared to estimated costs; (4) state audits and state regulatory requirements; (5) MMS audits; and, (6) final agency or court resolution of bona fide disagreements over royalty matters.

The simple message is that adjustments are made for a wide variety of reasons. Some of these reasons occur within a short time after the initial royalty payment is made, but many others occur far later and are wholly outside the control of the lessee. Furthermore, these adjustments impact interest owners other than the MMS and because of contract obligations must be recorded.

A second reason for opposing a short inflexible adjustment period is that there already exist ample incentives for accurate accounting at the earliest possible time. In this regard, MMS regulations set forth detailed reporting requirements; noncompliance makes a lessee subject to civil penalties under Federal Oil and Gas Royalty Management Act (FOGRMA) § 109 and perhaps criminal penalties under FOGRMA § 110. Moreover, underpayments carry interest charges, whereas overpayments, while sometimes recoupable, generate no interest. Furthermore, the very process of making adjustments -- whether plus or minus ---

is very costly for industry, generating substantial computer and manpower costs.

A third reason is that a short inflexible adjustment period is inconsistent with existing statutory requirements governing refunds and recordkeeping. Specifically, FOGRMA § 103 requires that a lessee maintain records for a period of six years, or longer if an audit is pending. In addition, Outer Continental Shelf Lands Act (OCSLA) § 10 requires that lessees seek refunds within two years of payment, a period which already presents substantial problems given the long cycle for audits. Also, under the generic federal statute of limitations (28 U.S.C. § 2401), lessees are allowed six years for refunds on federal onshore leases which parallels the government's six year statute of limitations. A short inflexible adjustment period cannot be reconciled with these existing statutes.

Suggestions For Reducing Adjustments

As we understand it, the Subcommittee's concern is that an unlimited time period for making adjustments raises the specter of endless adjustments, thereby aggravating the MMS workload and complicating audit trails.

Although industry has not yet seen the MMS study and, therefore, cannot yet offer comments on any recommendations the MMS might suggest, we are prepared to offer three suggestions to reduce the volume of adjustments.

First, and perhaps most straightforward, extend the initial payment date. Under existing regulations the initial payment is due within 30 days of production; if the period were extended many routine adjustments could be reflected in the initial payment. On the other hand, if the government retains the existing 30-day requirement, most adjustments are unavoidable.

Second, eliminate all adjustments, plus or minus, less than a designated de minimis dollar amount (e.g., $25).

Third, eliminate all unnecessary reporting of data. For example, under the existing Auditing and Financial System (AFS) selling arrangement data is required even though it has no effect on royalty determinations. Likewise, under the Production Accounting and Auditing System (PAAS) no less than 14 separate forms are required for submission of extensive, highly detailed, downstream processing, fractionation and marketing information. If data reporting requirements were curtailed, the MMS could realize a massive reduction in the present data bottleneck which unduly contributes to the present hardware problems and State/Indian communication problems MMS has experienced. Moreover, if less data needs to be submitted on a routine basis, it follows that less adjustments will have to be made. Furthermore, MMS audit and enforcement responsibilities would not be compromised because industry must retain royalty data, making it available for inspection on an as needed basis when audits or inspection indicate that closer scrutiny is called for.

Conclusion

I hope my remarks today will illuminate this complicated issue. Once the MMS adjustments study has been released, industry will carefully review it and will submit more detailed written comments to you as a complement to this testimony. In the meantime, I will try to answer any questions you might have of me.

STATEMENT OF THE PENNSYLVANIA COAL MINING ASSOCIATION

The Pennsylvania Coal Mining Association (PCMA) is a trade organization of surface coal producers in the state of Pennsylvania. PCMA represents over 80% of the surface-mined tonnage of coal in the state, and also represents over 125 associated supply and service companies. As such, the impact of

certain provisions of the Department of Interior's Office of Surface Mining FY 1988 Budget will felt by our operators.

PCMA is concerned with the implementation of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) which are, in part, an outgrowth of provisions included in the Annual appropriations Bills for OSM over the past several years. These amendments are inconsistent with the framework of SMCRA and the intent and directives of Congress in enacting SMCRA. In some cases they have denigrated the concept of state primacy, a cornerstone of the Act, and threaten the viability of the federal-state relationship prescribed by the Congress. In sum, the riders attached to past appropriation bills continue to undermine the express purpose of the original statute.

The coal industry has, and continues, to be adversely affected unnecessarily by the absence of clearly defined state and federal roles in the implementation of the Act. Unnecessary duplication of functions has relegated most states to the role of agents of OSM rather than being allowed to assume the primary regulatory responsibility envisioned by the drafters of SMCRA. While efforts have been made to identify and eliminate areas of dual regulation, additional progress is necessary. Dual enforcement and interpretational conflicts between state and federal regulators continue to leave operators in the posture of trying to serve two masters. On a broader scale, these conflicts threaten the viability of the program and unnecessarily impede and impair the compliance efforts of the coal operators.

Additional funding for OSM has been directed to respond to problems in implementation of the Act rather than focusing those additional resources on assisting the states in bolstering their programs. PCMA encourages Congress to take whatever actions necessary to assure that the purposes and provisions of the Act do not continue to be usurped by "riders" on the annual

appropriations bills and that OSM be directed to use the authority provided in Section 521(b) of P.L. 95-87 to address systematic problems in state implementation. Current practice encourages OSM to "blackmail" states by threatening to withhold appropriated funding.

Specific areas that concern PCMA in the House-approved Interior Appropriation Bill include:

AML GRANT CONDITIONING

OSM collects a tax from coal operators to fund the reclamation of Abandoned Mined Lands (AML). The Subcommittee's recommendations continue a policy enacted for FY86 that a state's receipt of its share of the AML fee collected from coal operators within that state is conditioned upon the state agreeing to participate in a nationwide applicant violator system (AVS).

PCMA objects strongly to conditioning receipt of AML funds with this provision. If OSM is concerned that a state will not voluntarily participate in a nationwide violator system, it already has ample authority under the Act to require each state to promulgate and develop a program which is complimentary to OSM's system. Of course, such a requirement would be subject to notice in the Federal Register with an opportunity of all interested parties, including the states, the regulated industry, and the environmental community to comment and participate in the development of the said program. It is disturbing that OSM can circumvent those requirements simply through an appropriations condition; in fact, as argued by some, it could be held out as a "big brother" method of control. Additionally, PCMA members companies have already experienced hardships by incorrectly being

placed on the violator system already in place. The chance for abuse and error in such a system could ruin an otherwise good coal company.

The proposed bill further directs that the Secretary of Interior may deny a state 50% of its AML grant as a grant condition if the Secretary (or his agent, i.e. OSM inspector) determines that the state is failing to administer the Act in accord with the interpretation of the Secretary under Section 521 of the Act.

PCMA strongly objects to this condition on a state's receipt of its AML funds which hinges on a state basically agreeing to whatever an individual federal inspector tells the state to do with respect to mining operations in that state. The Act already directs the Federal government to provide the overall regulatory framework within which a state must operate. Currently, a state's program must be "as effective as" the federal standards. Congress specifically envisioned that individual states, because of differing terrain and mining conditions, would develop programs which recognize those varying conditions among the states. If OSM, or more correctly, an OSM Inspector, believes the state is not fulfilling the requirements of its federally approved program, OSM has clear authority under Section 521 (b) of the Act to conduct public hearings on the question of whether the state should remain as the regulatory authority. It should not be given the authority through grant conditions of appropriations bills to arbitrarily withhold a state's AML grants as a means of blackmailing the states into agreeing to interpretations the state might not be otherwise willing to accept.

The House bill requires OSM to establish a computerized inventory of all sites subject to the Act since 1977, to inspect

them, and to "take mandatory enforcement action." In essence, this language provides for direct federal inspection of all active surface mining sites.

PCMA objects to this provision because it is essentially returning enforcement of coal mine regulations to the federal government; it would gut the state primacy concept which is the centerpiece of the SMCRA Act. At best, we would return to the confusion and conflict of duel enforcement suffered by the industry in the early 1980's.

The House bill prohibits OSM from basing the allocation of AML Funds on the AML Inventory already established, an inventory of those pre-1977 sites that are considered abandoned and meet the qualifications of the priority system established in the Act.

PCMA strongly opposes the prohibition of the use of an system for allocation that has been established for the past seven years, with the opinion that this is simply a political ploy to again change the concept of the Act without opening it to amendments. Prior to 1977, Pennsylvania produced more coal than any other state - over one-third of the total, historic national production. As a result, Pennsylvania also has the dubious distinction of leading the nation in abandoned mine land problems. More so than any other state, this condition has been compounded by urban development in the past thirty years in what were historically rural coal lands.

PRE-1977 TOTAL COAL PRODUCTION BY STATE

PENNSYLVANIA	XXXXXXXXXXXXXXX	15.0 BILLION TONS
WEST VIRGINIA	XXXXXXXXv	8.5 BILLION TONS
KENTUCKY	XXXXv	4.6 BILLION TONS
ILLINOIS	XXXXv	4.6 BILLION TONS
OHIO	XXX	2.9 BILLION TONS
INDIANA	Xv	1.5 BILLION TONS
VIRGINIA	Xv	1.4 BILLION TONS
ALABAMA	X.	1.2 BILLION TONS

By prohibiting the use of the AML inventory, the net result could be that the state with twice as many problems could be in a position to receive very little of their AML funds. Add the withholding of funds listed above, and the defeat of the intent of the Act becomes clear.

The House Appropriations Bill directs OSM to hire 33 inspectors for bond forfeiture sites and 20 inspectors to be used as "roving troubleshooters."

PCMA objects to these provisions. We are at a loss to understand why the House wishes to direct OSM to duplicate state enforcement by hiring federal inspectors for the purpose of inspecting bond forfeiture sites and issuing additional duplicative violations. PCMA can only assume that this is an attempt to develop a list of violations which obviously are not going to be abated by an operator, since bond has already been forfeited on the site (the state doing its job!). PCMA suggests that the funds the House is so willing to give OSM be used instead to help the states' Regulatory Agencies to reclaim interim sites.

PCMA objects to the emplacement of additional "trouble-shooting" inspectors in states that have achieved enforcement of their individual programs, approved by OSM. If there are significant problems in a particular state which need to be addressed through additional allocations of manpower, we would encourage Congress to recommend that OSM directly pass through to the states' supplemental resources. With the transition from the "interim" program of duel (and confusing) enforcement responsibility to the "permanent" program under which the states have exclusive responsibility, federal manpower requirements should be declining not growing, except in those situations where OSM exercises its authority under Section 521 (b) to take over a part of, or entire, state program.

SUMMARY

PCMA objects to the above provisions as stated. Pennsylvania and its coal industry long ago realized the need for environmental laws, passing the first ones in the nation in 1945, long before it became fashionable to do so. The state's 1964 Reclamation Law and subsequent amendments became the model for the Federal Act thirteen years later. In 1968, Pennsylvania passed "Operation Scarlift," a $200-million bond issue to address abandoned mine lands, another model for Title IV of the Federal Act. Since passage of SMCRA, Pennsylvania has gained the deserved reputation as being tough on regulating its coal industry, regardless of how it is portrayed by those who attempt to attack mining programs.

SMCRA is celebrating its 10th Anniversary this year, although there are many coal operators who are no longer here to blow out the candles. PCMA does not believe that you have to kill an industry to resolve its problems, nor does PCMA agree with many provisions of SMCRA. The adverse economic impacts of

the Act on the Pennsylvania surface coal industry has been devastating. However, PCMA believes that changes to the intent of the Act should only be accomplished by opening the Act to democratic debate, NOT BY "BACK-DOORING" THOSE CHANGES THROUGH THE APPROPRIATIONS PROCESS.

In conclusion, the amendments to SMCRA thus being "back-doored" through the Annual Appropriations Bill are usurping the State's right to be the regulatory authority as granted by Congress; the industry continues to be subjected to a dual regulatory system. The permittees - and only the permittees - suffer the consequences of being whip-sawed back and forth between what was intended by Congress in SMCRA and what is anticipated under the provisions of the appropriations bill. We are asking Congress to discontinue this practice of amending P.L. 95-87 through appropriations. We are asking that the resolution of program problems follow the process established by Congress in the Act. Most importantly, we are asking that the permittee - the mine operator - not be made the focus of disputes arising among various groups, i.e. OSM, State RAs, Environment and even Congress.

The mine operators in their constant and expensive attempt to achieve compliance cannot serve several masters. As we provide the coal that provides America with the majority of its electricity,

We need certainty, not confusion;
We need clear mandates, not duplication; and
We need harmony, not conflict.

Thank you for your time and consideration.

STATEMENT OF HARRY M. CONGER, CHAIRMAN, AMERICAN MINING CONGRESS

As you complete your deliberations on the FY '88 authorization for the U.S. Bureau of Mines, the American Mining Congress (AMC) would like to express its strong support for the Bureau's minerals research, information and analysis activities, as well as the Mineral Institutes program. We would appreciate the inclusion of the following comments in the hearing record on the Bureau's behalf.

AMC's members include (1) producers of most of America's metals, coal, industrial and agricultural minerals, (2) manufacturers of mining and mineral processing machinery, equipment and supplies, and (3) engineering and consulting firms and financial institutions that serve the mining industry.

The Bureau of Mines is the single federal agency to which AMC's members can turn for technological innovations that will help make the mining and metals industry competitive in a world economy. The Bureau's minerals and materials research program actively pursues the improvement of the fundamental knowledge of processes involved in the production and use of minerals.

Because of this unique mission, in February 1986 the AMC Board of Directors approved the formation of an ad hoc committee to discuss with Bureau of Mines management the priorities and direction of the Bureau's research activities, and to otherwise work to strengthen the Bureau's programs. Our ad hoc committee is comprised of the chairmen of AMC's standing committees on Environment, Safety, Health, Research & Development, Mining & Minerals Education and several other technical committees.

To further this purpose, AMC and the Bureau entered into a Memorandum of Agreement in October 1986, a copy of which is enclosed.

To date, our ad hoc committee has worked to:

- Gain a ccmprehensive understanding of the Bureau's research activities by meeting with senior Bureau managers and undertaking comprehensive visits to the Bureau's Pittsburgh and Spokane research centers

- Encourage and support the Bureau's mining research activities by developing and implementing a system to furnish the Bureau with the industry's research priorities

- Encourage and support the resurgence of the Bureau's capacity to analyze and critique regulatory and legislative proposals of other federal agencies

The ad hoc committee expects to continue these activities and also to:

- Examine the Bureau's research program to determine where it might be more beneficial to the industry

- Develop a capacity to address operational mining problems for the industry, and serve as a channel for alerting the Bureau to these problems

With specific regard to the Mineral Institutes program, it is the only significant federally supported effort in university training and research in mineral technology and, therefore, makes an important contribution to the Nation's mining and mineral processing needs.

In conclusion, AMC appreciates this opportunity to express its support for the minerals research, information and analysis activities of the Bureau of Mines and the Mineral Institutes. We hope that our comments will be of value to you during your deliberations on the Bureau's FY '88 authorization.

ARTS PROGRAMS

STATEMENT OF THE AMERICAN ARTS ALLIANCE

Mr. Chairman and members of the subcommittee, the American Arts Alliance appreciates the opportunity to take part in the this year's discussion of the FY 1988 appropriations for the National Endowment for the Arts. As the umbrella organization of over 350 of our nation's nonprofit performing and exhibiting arts institutions, the Alliance, together with the service organizations American Symphony Orchestra League, Association of Art Museum Directors, Dance/USA, OPERA America and Theatre Communications Group, welcomes the opportunity to add to your background concerning the current condition and future needs of our nation's arts institutions and the role the federal government plays in supporting these groups.

This year we would like to propose a funding level of $200 million for the National Endowment for the Arts. This would provide the Endowment with the necessary increase to work with our nation's dance, theater, and opera companies, symphony orchestras, and art museums to promote artistic excellence and access.

Over twenty years ago, the Endowment was created with the mandate that it support 'projects and productions which have substantial artistic and cultural significance, giving emphasis to American creativity and the maintenance and encouragement of professional excellence'. With that mandate, the Endowment has worked to help arts institutions grow, develop new audiences, excel in artistic productions, expand existing artistic horizons, experiment with new techniques, create new works, and increase accessibility in their communities and beyond. This progress has been achieved as a result of the partnership that has been established between the federal government and the private sector. For this partnership to continue to thrive, the Arts Endowment must have the financial resources to adequately fund both ongoing and new programs.

While there have been indications lately of renewed popularity, increased attendance, and continued growth in the arts, and while the annual reports of several of the discipline service organizations indicate positive movement in a number of areas, the overall picture of the arts community is not good. As David Gockley, president of OPERA America and General Director of Houston Grand Opera, has written, 'While there are certainly signs of health and special energy in the field, there are also alarming trends which need to be dealt with both at the national and local levels.'

The truth of Mr. Gockley's claim is borne out by a quick look at the state of the overall arts community: last year, 93 out of 201 theaters responding to a Theatre Communication Group survey ended Fiscal Year 1986 with a shortfall; 54 percent of the opera companies taking part in OPERA America's annual questionnaire reported year-end deficits; 40 percent of the major orchestras in this country completed the 1984-85 fiscal year in the red; and the dance community reported an aggregate deficit in FY 1985, after 2 previous years of surpluses.

So it appears a dichotomy exists. On the one hand we are hearing that conditions in the arts are improving. On the other, we are seeing quite clearly that there are numerous problems beneath the surface that threaten continued artistic growth and development. To examine this dichotomy, let us look at each of the fields individually to see what conditions prevail.

Symphony Orchestras

Symphony orchestras of all sizes are facing increasing financial pressures. While costs have risen quickly, in many instances earned revenue and giving have not kept pace, resulting in large and growing deficits. In 1981-82, 13 of 30 major orchestras reported deficits; in 1985-86, 21 major orchestras posted deficits. The aggregate loss of major orchestras in 1981-82 was $3.1 million. By 1985-86, that number had increased to $10.3 million. Nearly two thirds of regional orchestras reported deficits in 1985-86 compared to one third in 1981-82. In some cases, these financial problems threaten the artistic quality and even the survival of the orchestras.

The costs of running symphony orchestras continue to rise. From 1981 to 1985, there was a 54.8 percent increase in expenses, but only a 52 percent increase in overall income. Costs continue to grow as fast as, if not faster, than many orchestras' ability to pay them. In view of increasing competition for audience and donors, expenses for advertising, promotion, and development have increased significantly. There was an 81.8 percent increase in advertising and promotion expenses from 1981-1985. While fundraising costs increased 100 percent during that period, private monies raised increased only 63.4 percent.

At the same time that expenses have been going up, there has been an 8 percent decrease in National Endowment for the Arts funding for orchestras, from $10.1 million in 1981 to $9.3 million in 1985. If Endowment funding had kept pace with the increase in overall income during this period, orchestras would have received $15.3 million, not $9.3 million, from the federal government in 1985.

As difficulties continue to mount, the very essence of the artistic mission for which orchestras were founded is being threatened. With monies for arts education reduced, orchestras run the risk of losing future audiences. The Los Angeles Philharmonic's "Upbeat Live" program, for instance, sponsors talks by local experts before almost every concert and has been credited with doing a great deal to attract and educate new listeners. As funding diminishes, outreach programs of this type are traditionally the first to disappear. Opportunities for young and relatively unknown artists and conductors diminish, and the ability to perform new and unfamiliar music becomes more difficult.

In the final analysis, it is the individual artists, the musicians in our nation's orchestras, who must subsidize the deficits created by declining public sector support and the inability of the private sector to make up the difference. Facing no alternatives but to reduce operating budgets, orchestra boards have had to turn to their musicians for wage reductions, freezes and concessions to contracts in force. Musicians in such cities as Washington, Houston, New Orleans, Oklahoma City, Denver and Birmingham, Alabama, have done this in recent years in order to allow their orchestras to continue operating. When, in

Oakland, musicians found an annual wage reduction from $12,500 to $5,872 impossible to accept, the orchestra was dissolved.

Symphony orchestras are doing their best to cope in difficult times. With funding so troublesome, the effect of decreased public funds is magnified. In order for orchestras to maintain their traditional place in American communities, they need the Endowment's help.

Opera

The most recent OPERA America field survey, entitled Profile 1986 - OPERA America and the Professional Opera Companies reports heightened giving in real terms from corporations, foundations, and individuals, as well as increased audiences and mainstage performances.

The survey goes on to show, however, the high price opera companies and the overall field have paid for these gains. While there is a small overall surplus in the field, more companies are experiencing operating deficits than ever before. At the end of FY 1985, 48 companies had deficits -- an unprecedented 54 percent of the membership and an increase of 10 percent over the previous year. In addition, ticket prices have continued to increase. While income increased last year by more than the increase in expenses (10.1 percent increase in income to a 6.9 percent increase in expenses), the gain came at a significant cost: spending on individual productions was cut back and other important programs were terminated.

Increased reliance on private donations is not a viable or effective long-term solution to the funding problems of opera companies. Private giving, an unpredictable source of income in the best of times, is now even more uncertain due to changes in federal tax laws. In addition, greater competition among nonprofit organizations for what have become, in the wake of federal spending cuts, limited philanthropic monies adds to the confusion. And regional economic difficulties, along with the burst of corporate mergers which cut into individual corporate giving programs, magnify the threat to giving.

Opera professionals realize that in order to be a viable community resource they must continue to provide those services-- education programs, training programs, performance of difficult traditional repertoire, production of contemporary works, and creation of new operas -- intrinsic to the growth and development of the company and the field. Recently, opera companies have progressed significantly in a number of areas: education programs reached 1,500,000 adults and students last year; 32 companies now offer training programs for young performing artists (up from 24 in 1984); 11 world premieres took place in 1984-85; and a general trend toward the presentation of adventurous repertoire continued into the 1985-86 season, including Gian Carlo Menotti's Goya and Anthony Davis's X (The Life and Times of Malcolm X).

But these activities are costly to maintain and when they are threatened, so too is the field as a whole. As OPERA America's 1986 Annual Report says "Like an endangered species, an arts organization faces an environment that is growing increasingly hazardous. Today the fight for economic survival of the arts is

being waged on many fronts, and indeed, many companies seem to be losing this battle."

Opera companies have worked hard to achieve their current level of excellence and to fulfill their part of the partnership with the National Endowment for the Arts. If the field is to experience continued growth, increased assistance from the Endowment is essential.

Dance

Like that of opera, the field of dance has recently experienced some relief in its customary pattern of financial difficulty. Total revenue for a number of sample companies grew over the past 3 years. Private giving, from individuals and foundations, grew slightly. Home season revenues increased. But those advances cannot hide the fact that in a number of areas dance has suffered. The discipline ended 1985 with an aggregate deficit, after achieving surpluses in the two years previous and saw corporate giving decline.

Other problems have surfaced. As the opportunity to tour -- a costly endeavour in any circumstance -- has shrunk due to increased costs and expenses, dance groups are harder pressed than ever to develop new audiences and markets that will help sustain them in the future. As groups strive to maintain financial solidity in the face of rising expenses, more and more companies are having to eliminate their education and outreach programs -- the activities that bring lectures, demonstrations, and master classes to the community and to new areas, and that offer programs to schools and special constituencies.

The acquisition of rehearsal and performance space strains the already limited resources of the nation's major dance companies in larger cities, and the escalating costs of rental properties have driven or threatened to drive groups from their buildings. At most companies, performing to live music continues to be little more than a dream. Most dancers work and perform without health insurance or other employee benefits. Their wages hover, on average, in the $7,000 - $8,000 range, reaching the mid-teens only in the large and well-known institutions. To date, full-time employment does not exist. Even the 40 weeks/year dancers are willing to accept as full-time continues as only a hoped-for ideal.

Dance is a relatively new field -- it has grown by nearly 700 percent in the past 15 years. Yet if it is to achieve a solid footing for itself, it must insure its development in a number of crucial areas. The essence of dance is creation -- creating new works and recreating old, establishing new choreography and expanding the existing repertoire. To do this, choreographers and dancers must continually push the boundaries of the familiar. As stated in Dance/USA's 1986 Annual Report, without the "...propensity to take significant risks for the art form, the spectacular growth we've witnessed might not have occurred at all." Here, too, the Endowment's help is called for.

Theater

It is in the nonprofit theater world where numbers tell only a part of the total story. While the forthcoming Theatre Communications Group's Theatre Facts 86 shows that contributed income, salaries, attendance, and earned income have increased, it also indicates storm clouds are gathering. Many of the gains have been won by cutting back over the past two years on the number of important ancillary activities theaters offer, focusing instead on mainstage productions in an effort to contain costs. The activities such a move jeopardizes include second-stage productions, workshops, play readings, and youth theater and educational activities. By any measure, the most severe threat now facing theater is the challenge of balancing the dual needs of fiscal solvency and artistic progress. Efforts to insure financial health cannot be allowed to outweigh artistic considerations.

Additionally, while touring income as a whole increased in 1986, fewer theaters toured then than did five years earlier. In 1982, 31 of the 45 sample group theaters surveyed reported tour activity; by 1986, only 18 of the same group did, and of that number, only nine toured outside their home state.

And although Theatre Communication Group's report indicates that theaters are improving their ability to solicit and receive contributed income, it also shows an increased dependence on such support. This greater reliance on private giving comes at a time of decreasing federal support and increasing concern about the danger of raising ticket prices solely to solve budgetary problems. But contributed income now appears threatened by recent changes in the tax law and diminished opportunity or willingness on the part of corporations and foundations to sustain substantial giving programs. A dependence on private giving therefore has mixed implications for nonprofit theater.

It is crucial for theater to be able to cover costs through steady and predictable means, especially considering that the average ticket is sold at less than half its real value. 51 percent of the cost of a ticket must be covered through other means. Theaters, and indeed all cultural organizations, subsidize their products so they will be available at the lowest possible prices to the broadest possible audience. Special efforts are made to reach special constituencies like students and senior citizens who, because of the cost, could otherwise not attend.

The Endowment's ongoing institutional support to sample theaters, excluding grants for special initiatives to 7 of 45 sample theaters, decreased by 3 percent from 1985-86. The help of the Endowment is vital to maintaining both artistic excellence and accessibility.

Art Museums

For museums committed to collecting, preserving, and exhibiting the finest works of art and making collections available to the public, the dichotomy between advancement and retrenchment in artistic and financial areas is apparent.

Museums by their very nature are expected to reach and to touch their communities. Many have done that by developing and offering a multitude of innovative activities. To promote education, museums have developed ongoing seminars, lectures, and courses. Increasing numbers of people are enjoying the various guided and recorded tours that bring an exhibit to life by providing new insights and understanding. And with film, music and other collaborative performing arts events occurring on a more regular basis, visitors are finding new dimensions to their museum-going experiences. Related tours and travel programs outside the museums walls, as well as the loan of objects to other institutions, extend the museum experience even further. Concomitant with these education and outreach programs, museums maintain the commitment to the care and upkeep of their collections.

But these activities are expensive, as a current Association of Art Museum Directors survey of 1986 museum finances shows. That survey, receiving a 42 percent response rate to date, shows increases from 1985-86 of 47 percent in security costs; 40 percent in curatorial and exhibition costs; 22 percent in energy costs; and 16 percent in education outlays. The rash of institutions recently implementing admission charges for the first time underscores the serious financial condition of museums. For a museum to realize its full potential, redoubled efforts in securing financial resources are required. The overhead costs associated with the problems of building maintenance, conservation, humidity and temperature control, and illumination leave no room for flexibility. Expanding collections at a time when skyrocketing prices are the norm and competition from domestic and foreign sources is increasing, adds to the burden. The staff, who are so essential in all areas, from security to administration, are still remunerated far below the levels of their responsibility and the salary levels of comparable positions elsewhere.

Once again, the tension between seeming improvement and ongoing difficulties is evident. For museums to be successful in their efforts to play an integrated, active, and influential role in their communities, they must have behind them the support that comes from a solid partnership between the federal and private sectors.

Conclusion

In a recent speech on the arts, Robert Decherd, Chairman and CEO of the A. H. Belo Corporation, in commenting on economic conditions noted that "..the business of the arts will to an inordinate degree dictate the level of artistic achievement attainable in America." Arts institutions of all kinds fight to balance their manifold responsibilities: artistic achievement, fiscal responsibility, and responsiveness to the disparate needs of their communities.

For the past 20 years the government has been a tremendous impetus in helping arts groups meet their obligations. But concern with the federal deficit has cooled support for the arts to the point that the development and growth they've experienced is now threatened. This is a hazardous development, and we look to the federal government this year to reaffirm its leadership role in the arts. We have used this occasion to discuss the way in which the government can best do that. We repeat our

recommendation of $200 million for the National Endowment for the Arts for FY 1988.

A nation committed to advancement cannot overlook the importance of the arts to its overall progress. Great art enlightens in unique and special ways. It not only fosters creativity and innovative thought, but serves as a record of a country's achievements. John Ruskin, the English philosopher and writer, summed up this point when he said "Great nations write their autobiographies in three manuscripts; the book of their deeds, the book of their words and the book of their art. Not one of these books can be understood unless we read the two others, but of the three the only trustworthy one is the last."

STATEMENT OF THE NATIONAL FEDERATION OF STATE HUMANITIES COUNCILS

Mr. Chairman, distinguished members of the Subcommittee, I should like to express my deep appreciation for the opportunity to discuss the work of the State Humanities Councils. As you know, our particular charge is to take the humanities to the general public, and we have a number of programs that we think have served in vital ways the intellectual life of our states.

For two years I have served as chair of the Mississippi Committee for the Humanities and last year was elected to the Executive Board of the Federation of State Humanities Councils. By profession, I am a university professor of literature--an English teacher--who has given the better part of my life to the study and teaching of reading and writing. Since 1972 I have worked in a great variety of projects sponsored by the Mississippi Committee, and from this experience I hope I can bring you a vivid and accurate account of the work of a representative state council and what it has contributed to the intellectual and cultural life of my state.

It is no secret that my state has for many years struggled against impoverished economic conditions, and thus our financial needs press us sharply to set priorities and to support first those services that are most basic and crucial to our citizenry. In surveying the record of the first ten years of MCH's existence, years in which humanities programs were devoted principally to public policy issues, I was struck with how directly and substantively MCH programs had addressed significant issues--above all, with how effectively it had organized public discussions of public school education. In rural crossroads sites, in small town public libraries, in statewide Governors' Conferences in Jackson, scholars in the humanities met with community representatives to consider questions that each generation must weigh: What is the knowledge most worth knowing? Who is responsible for the education of the young? How shall our youth best be taught? When the Education Reform Act of 1983 was debated and passed by the Mississippi Legislature, citizens had a clearer sense of their own viewpoints and a more comprehensive understanding of the public education system because of the forums provided by the Mississippi Committee for the Humanities.

In the 1980s, MCH has been the major source of leadership and support for a variety of cultural projects, many of which would doubtless not have been possible without MCH support. This past year we have helped fund scholarly conferences on the Mississippi writer, Richard Wright, and on the early history of Natchez. This latter symposium, held on a cold, rainy January weekend in Natchez, attracted well over 200 people who were interested to hear scholars from the U.S. and abroad discuss

their research into the history of the Natchez Indians and the earliest European settlements in the region. During the past year, MCH funded a scholar-in-residence to assist the State Department of Archives and history prepare a catalog of Eudora Welty's papers, to lead workshops in Welty's fiction for secondary teachers, to visit schools and speak at library programs. In 1987, a second scholar-in-residence has begun work with state archivists to process documents of Mississippi history prior to statehood, to provide materials on colonial history to secondary teachers, and to speak to civic groups and school classes.

Particularly to reach audiences otherwise hard to reach, MCH has developed a statewide newspaper project in which humanities professors write feature articles that are distributed to Mississippi's country weeklies, as well as to larger city dailies. Scholars from the public and private colleges and universities also speak regularly to civic groups on the subjects of their scholarly fields. A professor of languages at the University of Southern Mississippi who spent several years recently in Egypt speaks, for example, on comparative systems of language and literary study in Egypt and the United States. A vital and continuing program of our state council, as with virtually every other of the 53 councils, is the book discussion groups in public libraries. Often funded through small mini-grants, these groups took on new life in Mississippi with the "Let's Talk About It" series sponsored several years ago by NEH and the American Library Association. The simplicity and modest cost of these meetings make them one of the all-time bargains for the taxpayer's dollar. The excitement of discovering a new book, new ideas, a new vision of human experience not before seen or even suspected is appealing and invigorating to thousands upon thousands of adult citizens across this country who hunger for intellectual substance and for whom reading and discussion groups sponsored by public libraries and the state councils offer a unique opportunity for study and spirited, focused conversation.

Last year, Tom Roberts, Executive Director of the Rhode Island Committee for the Humanities, speaking in behalf of the state councils, noted the lively variety of public programming and accessibility of our programs. We offer the American people exhibits that inform and please the eye, lectures that light fresh intellectual fires, discussions that provoke analysis and introspection, films that instruct and entertain. And we bring these programs to the people, in Tom Roberts' words, "in libraries, shopping malls, hospitals, parks, granges, reservations, museums, buses, almost everywhere."

The challenge to the state councils ever since they were created in 1971 has been to bring together legitimate, rigorous scholarship in the humanities and programs for the general citizenry in a public arena. This is no easy task. The state councils have nonetheless achieved a steady record of success. From a weeklong series of programs in San Diego examining the Mexican American border and the literature produced in the border culture to the ambitious statewide project in Rhode Island--"The Rhode Island Literary Legacy"--that encourages and supports a new program in some fifteen high schools, the work of the state councils is noteworthy. An article summarizing these 1986 programs appeared in the Spring 1987 newsletter of the Modern Language Association, the largest of the professional organizations in the humanities disciplines. I regard the MLA's attention to the work of the state councils as significant evidence that we have succeeded in gaining the respect and participation of the scholarly community for our public mission.

The work of the state councils reminds me of the teaching career of Julia Mortimer in Eudora Welty's Losing Battles. She never doubted "but that all worth preserving is going to be preserved," and, as one of her former pupils said, all we have to do is keep the torch going, "right from where we are." Where we are today in the State Humanities Councils is face to face with a dilemma. At just the time when the interest in and need for public programming are growing and when the visibility and prestige of the state councils are such that we exert a presence in our state, our funding is jeopardized. The president of the Modern Language Association has recently pointed out that the NEH budget, which stretches to include four other major divisions in research and education in addition to the state councils, is less than a tenth of that of the National Science Foundation and, while the funding of the NSF continues to rise, that for NEH is threatened, and threatened precisely during years when the national concern over declining language capabilities has intensified.

I am grateful for the support Congress has given in past years to the State Humanities Councils. Without NEH funding, the Mississippi Committee for the Humanities could not exist. I am deeply concerned about the projected cuts in the proposed 1988 budget because under this budget, we would lose in next year's appropriation $44,000. For us that means that of four salaried staff, we would lose one. And I calculate we would have lost the Natchez program and the Richard Wright program, and would have to cut back on our public libraries program.

We of the State Humanities Councils are involved in work that directly and vitally affects American citizens. Our most basic function is to encourage and help empower a full literacy among all people of this country, a rich and vital literacy that dispels ignorance and powerlessness, that leads to understanding of our history and the forces that shaped the Constitution, that shows us past civilizations and other cultures, that gives to each of us a realistic opportunity to live in freedom and dignity. This is the charge of the humanities, and I seek your support for our mission.

STATEMENT OF DOUGLAS J. BENNET, PRESIDENT, NATIONAL PUBLIC RADIO

Mr. Chairman, members of the Subcommittee, I appreciate the opportunity to submit testimony on behalf of National Public Radio and its 335 member stations in support of funding for the National Endowments for the Arts and Humanities. I also want to thank you for your past support of cultural programming on National Public Radio and tell you how it made possible first the survival, and now the exciting growth, of cultural programming at NPR.

Mr. Chairman, you will remember that in the fall of 1985 the future of cultural programming on National Public Radio was seriously in doubt due to a sharp decrease in its funding level. In response, letters of support of NPR's arts programming poured into the Corporation for Public Broadcasting from members of Congress as well as leaders in the arts community across the country. That outpouring of support stressed the importance of the arts to society, and the unique role of radio in bringing the arts to large numbers of people.

NPR and its member stations turned that crisis into an opportunity. In fiscal year 1986, the stations agreed to pay a special assessment fee to guarantee the continuation of arts programming, and to include the arts in the basic station-funded NPR programming service, beginning in FY 1987.

Following the demonstration of support throughout the country, the National Endowment for the Arts awarded NPR a $250,000 challenge grant dedicated toward the creation of a cash reserve fund for cultural programming at NPR. Under the terms of the challenge, NPR will raise $750,000 in matching grants from private donors.

Another important contribution to ensuring the vitality of public radio cultural programming is the additional $1.8 million voted by Congress for NEA's Radio Programming in the Arts program over the past two fiscal years.

NPR has a significant record of accomplishment in using the challenge grant and a portion of the special radio funds to meet NEA's goal of encouraging and enriching the human mind and spirit across the widest possible spectrum of the country.

The NEA challenge grant set the stage for our "Fanfare Campaign for the Arts," an ambitious effort aimed at raising $8 million by September, 1988, for cultural programming on National Public Radio. Thanks largely to the challenge grant, $1.6 million in gifts was in hand last June when the campaign officially began; $3.4 million has been raised date. We know that the challenge grant was the key to encouraging many of our early donors to support this special effort for the arts.

NPR's newest programming initiative in the arts, PERFORMANCE TODAY went on the air January 5, with the support of a $390,000 grant from the special NEA Programming in the Arts/Radio fund. It is a daily two-hour program, blending concert music and timely comments on entertainment and the arts. An important element of the program is NPR's reliance on program segments provided by member stations and independent producers, making the new program a unique forum to bring performing artists and arts organizations from all parts of the country together with the large, national, diverse public radio audience.

We applaud the range and creativity shown by the other recipients of the special NEA Radio Programming in the Arts awards made possible by this subcommittee: "Mountain Stage," a production of West Virginia Public Radio showcasing musical and non-musical artists from folk music, storytelling, jazz, classical music and comedy; "American Radio Showcase," produced by WJHU-FM of Johns Hopkins University, presenting innovative sound portraits of people, places, issues and events, acquired from independent and station-based audio artists; "Pacific Coast Highway," a classical music program combining live music performance, commentary, interviews and dramatic recreations produced by the California State University Long Beach Foundation; support for the continuation of "American Jazz Radio Festival," a live or live-on-tape series presenting performances by leading American jazz artists; a celebration of the 40th anniversary of the partnership of Bob and Ray by supporting 40 new half hours plus selected modules of the "Bob and Ray Public Radio Show"; and "Radio at the Public," a collaboration with the Public Theater to present 26 new half-hour plays by distinguished American authors.

I would like to make the further point that NPR's cultural programming is not just confined to PERFORMANCE TODAY. Even a casual listener to NPR's news and information programs, MORNING EDITION and ALL THINGS CONSIDERED, and certainly to our new WEEKEND EDITION programs on Saturday and Sunday mornings, will hear regular arts reports. In fact, ALL THINGS CONSIDERED was recently rated best for coverage of cultural events among U.S. broadcast news services in a recent survey conducted by British Broadcasting Corporation correspondent Roger Wallis and San Jose (California) State University professor Stanley Baran. Such

mainstreaming of arts and performance information is an indication of the vital role we see it playing in the daily lives of Americans.

Mr. Chairman, we have focused primarily on NEA funding today because that has been so substantial recently. However, in past years NPR has produced several major radio documentary series which were funded by the National Endowment for the Humanities. Those series included A QUESTION OF PLACE: SOUND PORTRAITS OF TWENTIETH CENTURY HUMANISTS; WILLA CATHER: A LOOK OF REMEMBRANCE; CATHEDRAL, COURT AND COUNTRYSIDE: MUSIC IN EUROPE BEFORE 1700; and FACES, MIRRORS, MASKS: TWENTIETH CENTURY LATIN AMERICAN FICTION. A FACES, MIRRORS, MASKS segment profiling Mexican novelist Juan Rulfo was recently awarded an Ohio State Award for broadcast excellence.

Production of these series has been instrumental in establishing NPR as a production house capable of producing important documentary series in addition to its daily up-to-the-minute news and arts programs. NPR has a current grant from NEH for the research and planning of a series of documentary programs commemorating the one hundredth anniversary of the birth of Brazilian composer Heitor Villa-Lobos. Support toward production of the Villa-Lobos series has come from NEA. We also have a proposal pending at NEH to revive criticism on radio.

SUMMARY

Mr. Chairman, I believe strongly that we as a society will be judged by future generations in large measure by the art and culture we bequeath to them. Public radio is committed to bringing the arts to the American people effectively, creatively, conveniently and in the most cost efficient manner. The variety of music and other formats heard on public radio and their limited availability elsewhere are also distinct elements of public radio's appeal. Public radio attracts listeners who like the kind of music rarely found on commercial stations. Listeners recognize and appreciate public radio's programming of formats that don't usually make money. We are committed to serving this audience and introducing an entire new generation of new listeners to the best the American arts community has to offer. The National Endowments for the Arts and the Humanities are instrumental in helping us achieve this goal. We urge the highest possible funding for them in FY 1988.

LETTER FROM EILEEN D. COOKE, DIRECTOR, WASHINGTON OFFICE, AMERICAN LIBRARY ASSOCIATION

April 28, 1987

The Honorable Robert C. Byrd
Chairman, Subcommittee on Interior
Senate Appropriations Committee
U. S. Senate
Washington, D. C. 20510

Dear Senator Byrd:

This letter is submitted on behalf of the American Library Association, a nonprofit educational organization of nearly 44,000 librarians, educators, trustees, and other friends of libraries dedicated to the improvement of libraries and information services for all Americans. We request that it be made part of the hearing record on appropriations for the National Endowment for the Humanities.

On behalf of the Association, I want to thank you for your leadership as a champion for the humanities and arts in Congress. We are particularly concerned about severe cuts proposed for the Humanities Projects in Libraries in the Endowment's fiscal year 1988 budget. While the Endowment's total budget is proposed for a 15 percent decrease, the Humanities Projects in Libraries program is slated for a 35 percent cut. We request that you and your colleagues reject this unfair proposal to cut Humanities Projects in Libraries to $1,892,000 and support continuing this program in the FY 1988 budget at least at the FY 1987 appropriation level of $2,900,000. If cuts cannot be avoided, then we urge that reductions be taken in an evenhanded way.

A 35 percent cut would have a detrimental effect on the program itself, and would limit the number of proposals which could be funded and the people who could be involved now that enthusiasm for humanities projects in libraries has been kindled again with excellent programming and with guidelines. During the 1987 fiscal year, 95 proposals were received by Humanities Projects in Libraries. Of those, 35 were granted support. Since guidelines for this program were issued in November 1984, the number of applications has grown from 43 to 95 in just two years. During a time of such growth in a program which helps many libraries with their efforts to become lively centers of intellectual and cultural life for the people they serve, is there justification for cutting the program by 35 percent?

Since 1978, the library program has continued to provide support for projects and programs which have been landmark projects having a broad impact and a significant contribution to the strengthening and upgrading of the quality of adult education in humanities for the average citizen.

A sampling of the library grants made by NEH in FY 1987 helps to make one aware of the nation's cultural heritage and to see how people in both rural and urban areas can enrich their knowledge and understanding of their heritage through libraries:

- The South Dakota Library Association plans a two-year Centennial of Statehood Reading-Discussion Series designed to encourage the reading, analyzing, and discussion of humanities texts related to South Dakota history and culture, particularly during its first 100 years of statehood, within the framework of the broader history and culture of the nation and the Great Plains region.

- The Milwaukee Public Library, in cooperation with the University of Wisconsin-Milwaukee's Golda Meir Library, intends to present a series of programs and mini-exhibitions that will promote increased public awareness of the rich resources of the two libraries.

- The Maine Library Association, with the cooperation of the Maine State Library, proposes to sponsor reading and discussion programs in libraries throughout this largely rural state.

The celebration of the Bicentennial of the United States Constitution provides an outstanding opportunity for libraries to help Americans have a deeper appreciation for the drafting and ratification of the Constitution. With a grant from NEH, the New York Public Library and ALA have organized a touring version of the NYPL exhibit, "Are We to Be A Nation? The Making of the Federal Constitution." The portable, poster-panel exhibition will circulate to 30 urban public libraries throughout the United States beginning in March 1987 and ending in August 1988, and will reach a potential audience of 25 million people.

The Endowment's offer of matching grants of $500 to U. S. public libraries to help them establish "Bicentennial Bookshelves" of reference works and other books about the Constitution has been a great success. About 850 applications were received in fiscal 1987 for the matching grants which will be made to public libraries in every state, the District of Columbia, Puerto Rico, and the Virgin Islands. In an interview in the January/February 1987 Humanities, Lynne V. Cheney, Chairman of the National Endowment for the Humanities, discussed the success of this project:

I received a letter from the Carlsbad Library in Carlsbad, New Mexico. The librarian writes that the library is "relatively isolated here in the desert" and explains that the Bicentennial Bookshelf will be the only source of such research materials for miles around. He then describes the overwhelming and touching community support from a small group of retirees who pledged $500 in donations within twenty-four hours of hearing about the grant. This is very heartening. The state councils are an important mechanism for getting this kind of thing to happen.

Two of ALA's divisions, the Association of College and Research Libraries and the Public Library Association, have been holding workshops in public programming for the humanities which have been funded by an NEH grant for several years.

There have been nine regional workshops held in nine states: Wisconsin, California, Kentucky, Maryland, West Virginia, Colorado, Oregon, Florida, and Arizona. Two more are planned for Nebraska and Massachusetts. The workshops have had 322 participants who have come from 35 states, Puerto Rico, and the Virgin Islands.

Although the bulk of this letter focuses on Humanities Projects in Libraries, I cannot neglect to mention that the nation's libraries---academic, public, research and special---benefit from other Endowment programs, and we ask your support for them, too. The March 3, 1987, hearings in the House Education and Labor Subcommittee on Postsecondary Education on the problem of "Brittle Books" in the nation's libraries, called attention to the need for additional federal attention to stop book deterioration. In 1985, NEH established the Office of Preservation to continue ongoing efforts, such as the U. S. Newspaper Program, and to provide national leadership and grant support to preserve other forms of rapidly deteriorating research materials. We join the Association of Research Libraries in recommending increased funding available from the NEH Office of Preservation to assist libraries to preserve the content of brittle books. Doubling the current level of funding for the Office of Preservation would help to alleviate the emergency facing libraries as they try to improve access to cultural resources and safeguard their future.

We also ask for your support for the Endowment's work in the areas of texts and reference materials. We particularly call your attention to the Access Projects program, a valuable program which at present does not have high visibility within the Endowment. Members of our Association tell us that it remains enormously needed by libraries, archival organizations, and scholars, and that it is seriously underfunded. For relatively modest investments through the Access Projects program, descriptions of important collections of research material are made widely available to all who may need them.

Many libraries have benefited from NEH challenge grants which have involved library funding for buildings, preservation, and computerization, but most of all for acquisitions in the humanities. Challenge grants in this area have recently gone to the Denver Public Library, the College of Idaho, Chicago Historical Society, the American Antiquarian Society, Hamline University, Midland Lutheran College, Guilford College, Washington and Jefferson College, Brown University, and Clemson University. Grants totaling $14.9 million will be matched by $44.7 million in new institutional support.

In conclusion, Mr. Chairman, we urge you to reject the request to cut Humanities Projects in Libraries from the FY 1987 appropriation of $2,900,000 to $1,897,000, a 35 percent decrease, and to fund this program at least at the current level. We hope that any cuts will be made in an evenhanded way.

Thank you for your continued support of the arts and humanities, and for the recognition of the vital role which librarians and libraries play in fostering the humanities.

Sincerely,

Eileen D Cooke

Eileen D. Cooke, Director
ALA Washington Office

STATEMENT OF THE NATIONAL ASSOCIATION OF PUBLIC TELEVISION STATIONS

Summary

The nation's public television stations strongly support and participate in fulfilling the missions of the National Endowments for the Arts and Humanities. We urge the maximum feasible levels of federal support be made available to them in fiscal year 1988. We wish to recommend specifically that both Endowments' funds for media projects continue to be funded at higher levels which will provide effective and efficient use of Endowment money. These funds continue to be essential to public television's growing program pipeline. We also wish to go on record in support of the continuation of the Challenge Grant programs in both Endowments.

In the report accompanying last year's House Interior Appropriations bill, $2 million of a $2.95 million increase of funds for media grants in the National Endowment for the Arts was earmarked for television projects. In the FY 1987 Interior bill, a $1.5 million increase was recommended for public television programming from the Arts Endowment, and one half million increase was approved in Humanities Endowment funds for public television. Our stations and program producers appreciate the support of the Congress in recommending these increased allocations of funds.

Public Television: Electronic Window to the Arts & Humanities

The National Endowments for the Arts & Humanities and our nation's public television stations have many shared missions--to preserve our nation's heritage, to educate all our citizens, to enrich our cultural institutions and to promote the work of our nation's gifted artists and scholars. The Endowments have built a foundation from which leading and emerging cultural institutions can seek the private and corporate support to share and celebrate this country's tremendous creative genius.

Public television has continuously provided access to this grand celebration -- to culture, to history, to popular and scholarly discourse, and to the performing arts -- for nearly the entire American population. Some 97% of the homes in America can receive a free public television signal, and nearly 50% of them tune in public television for several hours per week. In terms of race, education, and income level, our audience mirrors the nation as a whole. A disproportionate share of our viewers is over 50 years of age and not in the work force, leading to the conclusion that our programming may be providing one of the only glimpses of culture to elderly, disabled, or low income Americans.

While there can be no substitute for attendance at a live arts performance, public television programming can serve as an important introduction and enticement to the performing arts. In the words of National Endowment for the Arts Chairman Frank Hodsoll, quoted in the February 6, 1986, New York Times, "It is important to reach more people through our television programming in general. In a 1982 survey 61 percent of American adults said

they have not attended, even once, a live performance of jazz or classical music or theater or opera or ballet, nor visited an art gallery or museum. We have got to reach out to these people -- we need to do more in this area even with a reduced budget."

Studies have shown that television does not replace live arts attendance; it enhances it. Faced with high costs of mounting tours, many major arts companies, including the Metropolitan Opera, have acknowledged the growing importance of their role with public television. Participants in a recent panel discussion at Fordham University celebrating, respectively, the tenth and ninth anniversaries of the public television series Live from Lincoln Center and Live from the Met discussed how these series pioneered methods of televising operas, plays, concerts, and dance. According to panelist Dr. Brian Rose of Fordham, the broadcasts have enabled home viewers to take live cultural events almost for granted, and have helped inaugurate a whole generation of cultural superstars.

Experimentation in newer art forms continues on public television with the help of the NEA, both within our current performance series and in new series. Entering its third season this summer is the KTCA/Minneapolis-St. Paul series Alive From Off Center, a showcase of works of today's most adventurous performing artists, fusing video technology with new wave theater, music, and dance.

Support from the NEH made possible last season the premiere of the new series American Masters, an anthology of video portraits of those Americans whose gifts and talents have made indelible marks on our history and culture. Artists in last season's presentations included Charlie Chaplin, Billie Holiday, and Thomas Eakins, and the coming year will see documentaries of William Wyler, Buster Keaton, Aretha Franklin, Maurice Sendak, and Isaac Bashevis Singer.

One of the most exciting new projects coming up for public television with the help of the National Endowment for hte Humanities is the American Experience, a sixteen hour series that examines the meaning of our American heritage. As Nature does for wildlife, and NOVA does to the world of science, American Experience holds a lens to America, hoping to catch the dreams of struggles of many Americans from Presidents to poets.

Wonderworks, the award-winning family drama series, is now entering its fourth season on public television with the support of the NEA. Produced by a consortium of five public television stations -- WQED/Pittsburgh, KCET/Los Angeles, KTCA/Minneapolis, South Carolina ETV, and WETA/Washington -- the Wonderworks series attracts top flight actors and directors who accept minimum scale wages to help create all too rare masterpieces of family entertainment. The marvelous production of "Anne of Green Gables," which won this past year's Emmy Award for children's television programming, will be followed this season by a four part sequel that follows Anne through young adulthood.

Public television's critically-acclaimed series American Playhouse has continued its tradition of bringing fine drama into American homes by presenting such Endowment-supported productions as "Smooth Talk," "All My Sons," and "Go Tell it on the Mountain."

The Special Help from Challenge Grants

The public television stations that produce the great performance and cultural series for the entire 318-station system, as well as other stations, have received additional support from the two Endowments in the form of Challenge Grants. These three-to-one matching grants have enabled many of our

stations to raise the funds necessary to take on the heavy burdens of production for a national system while still providing vital local services. In the last round of Challenge Grant awards, KCTS/Seattle received $500,000 from the Arts Endowment to increase its local and national arts programming. With the $455,000 Challenge Grant award from the Humanities Endowment, station WQED/Pittsburgh hopes to be able to expand on its efforts to promote intergenerational reading involvement. This station has had great success in the adult literacy PLUS project to encourage their viewers of all ages to discover their world through books.

Conclusion

Support from both the Endowments remains critical to the best use of public television for the American people. The fine programs that have been made available through Endowment funds have sought to fulfill the missions of both public broadcasting and the Endowments to enrich culturally and artistically the lives of the American people. Endowment dollars spent on public television's growing program pipeline -- in research and development funds, production assistance, or directly to our stations -- are indeed dollars well spent.

We are happy to report that the funds made available through the Endowments and through increased appropriations to the Corporation for Public Broadcasting (CPB) have made possible unprecedented growth in our station's ability to feed new programs into the pipeline, and we hope that you will be pleased with the integral part you have played in the effort.

Nearly every American has access to a free public television signal and to the cultural riches sent through it. We encourage both Endowments to continue to increase their funding of broadcast media projects, and we support funding the Endowments to the greatest amount possible.

Statement of the Enewetak Local Government Council

Mr. Chairman and members of the Subcommittee on the Department of Interior and Related Agencies, my name is David Anderson. I am a partner with the law firm of Wilmer, Cutler & Pickering, which represents the Enewetak Local Government Council. On behalf of the Council and the Enewetak community I thank you for the opportunity to testify in support of Fiscal Year 1988 funding for the Enewetak Support Program and the Enjebi Resettlement Trust Fund.

Enewetak Support Program

The Compact Act, Public Law 99-239, provides in Section 103(k)(1) that the United States continue the Enewetak Support Program for five years following the effective date of the Compact. This is the first year of the five. For that reason, and the others that follow, we are asking that the Enewetak Support

Program be funded this year at the level of $1.1 million, the amount recommended by the House Interior Committee. This amount is needed to continue the program at the existing level and to provide a small fund (approximately $200,000) to cover the overhead costs associated with administering the program. (These are the costs which were incorporated into the Trust Territory budget as part of its overhead, and thus were not shown as separate line item charges against the Enewetak Support Program.)

The following breakdown shows how the appropriation would be expended:

Description		Budget Est. FY88
TTPI Enewetak Resettlement		1112.3
Food & Commodities	ST	380.3
Vessel Use		11.0
Labor, Expat.		4.2
Labor, Local		7.9
Travel		0.8
Shipping		120.4
Supplemental Food		161.3
Kerosene		23.1
Poultry Materials		12.4
Local Food Procurement		9.1
Support Service Charge		30.1
Agriculture	ST	288.9
Vessel Use		8.3
POL - KMR		3.9
Subsistence		3.8
Labor, Local		109.4
Materials FAC & Equip-H&N		59.6
Materials/Svcs. FAC & Equip-KMR		5.0
Travel		3.0
Shipping		35.0
Agriculturalist		37.7
Support Service Charge		23.2
Motor Sailer	ST	148.7
POL - KMR		2.2
Subsistence/Galley Supply-H&N		16.0
Labor, Expat.		75.4
Labor, Local		39.5
Materials FAC & Equip - H&N		24.0
Materials/Svcs. FAC & Equip-KMR		6.0
Travel, Hono/Ent		4.5
Shipping		8.0
Vessel Rental Revenue		-57.2
Vessel Insurance		18.0
Support Service Charge		12.3
Field Station O&M	ST	290.4
POL - KMR		29.8
Subsistence/Galley Supply-H&N		11.7
Subsistence/Galley Supply-KMR		1.5
Labor, Expat.		128.4
Labor, Local		39.5
Materials FAC & Equip - H&N		20.0

Materials/Svcs FAC & Equip-KMR	7.0
Travel	4.5
Shipping	40.0
Plane Charter	7.0
Support Service Charge	26.0
DOE FSE - Credit	-25.0

The breakdown is based on a FY 1987 budget request that included the overhead item.

It is not possible to judge either the nature or the extent of this program, or the need for it, simply by looking at the budget breakdown. The program is best understood in context. At the time the Enewetak people returned to Enewetak Atoll in 1980, plantings had been made to provide, in time, a local source of customary food. Many of these are still several years from normal bearing. This fact requires that the population be sustained by a combination of USDA agricultural surplus foods and foods purchased from commercial sources. Much of the money in the budget is for this program. The ability of the community to become self-sufficient depends on maintaining the coconuts, pandanas, breadfruit and other newly planted sources of food in good health. Much of the rest of the support program grant is for the agricultural maintenance program.

The nerve center of these programs is the field station operated by Holmes & Narver. Without the Holmes & Narver field station, valuable know-how would be lost, program continuity would be disrupted and it is all but certain that damage to the agricultural maintenance program would result. Holmes & Narver also oversees the operation and maintenance of the WETAK II. It provides a billet for its crew, hires the captain and the navigator and generally looks after the ship. The WETAK II is the Community's lifeline with Ujelang and other parts of the Marshalls and nearby Micronesia. It would seriously undermine the ability of the Community to supply itself with provisions from Ujelang and elsewhere if the WETAK II were to be taken out of service for any reason.

During the past year representatives of the Department of Energy, Holmes and Narver and RepMar have made a number of visits to Enewetak to assess the current status of the Enewetak Support Program and to deal with questions arising out of the change in status. It had been the Department of Energy's hope that the program could be turned over to Repmar and to the Enewetak/Ujelang Local Government Council which would administer the program based on manuals left behind by DOE and Holmes and Narver, together with such help and assistance as might be available from the Department of Energy. I am convinced, and I believe the Council is convinced, that the Council is not yet in a position to take on the responsibility for administering this program. The Council continues to be dependent on DOE and Holmes and Narver for these services. The proposed budget will permit the continuation of the present arrangement.

In this regard, the Council is making some headway toward establishing the ability to provide at least some basic governmental function for itself. To date, most of its efforts have been devoted to steps required by the Compact for implementation of the provisions of the Nuclear Claims Trust Fund established by the Section 177 Agreement. The council has engaged the services of a public accountant, it has a small office in Majuro which is staffed by a clerk, where the council can conduct business. All concerned are hopeful that from this beginning will come the resources to supervise at least some of the contracts involved in the food program. But even that ability is a year or two away.

For now, therefore, it is essential that the Holmes and Narver operation continue in place. Its ability to do so requires the continued involvement of the Department of Energy which is permitted to contract with Homes and Narver on a sole source basis because the program is related to the nuclear testing program.

As I discuss next, we may be at a point where a contract can be let for the final cleanup of Enjebi. Holmes & Narver is one of the contractors involved in the Bikini cleanup program. Since it has an estabished base of operations on Enewetak, efficiencies both in the use of money and materials, as well as time, will come about if the Holmes & Narver operation can be continued without interruption through the period of the Enjebi cleanup.

Enjebi Resettlement Trust Fund

We are pleased to report that the Enjebi Resettlement Trust Fund has been established with the $5 million so far provided by Congress for that purpose. Pursuant to Section 103(k)(1) of the Compact Act, the Enjebi people, in consultation with the government of the Marshall Islands, have appointed a trustee and investment manager for the fund. Now that the Trust is established, we ask that the Committee appropriate $2.5 million this year in keeping with the undertakings made last year in connection with the action on the Palau Compact Act. That will bring to $7.5 million the total appropriated, or three-fourths of the total authorized by Congress.

The timing is appropriate, indeed crucial. The basic purpose of the trust is for Enjebi resettlement. The Council has begun discussion with Holmes & Narver regarding the possibility of conducting a Bikini-style cleanup at Enjebi as a follow-on to the Bikini operation. Under the most optimistic assessment, that task will take all of the money so far appropriated and a good bit of this year's request as well. In short, without full funding, the Enjebi cleanup is likely to be delayed and certain to be more costly.

Finally, Mr. Chairman, we have a housekeeping matter. Language is needed to give effect to what all involved have taken for granted, that the Enjebi Resettlement Trust be exempt from all U.S. taxes. The request is identical to that made when the

Bikini Resettlement Fund was approved and funded. The provision, which stipulated that the "appropriated amount and its income be tax free" was placed into the Supplemental Appropriations bill of 1982 and reported on favorably by both the House and Senate Appropriations Committees. The bill was passed and became law on September 12, 1982. The tax exempt status of the fund was acceptable to all participants. In fact, an investigation of the legislative history reveals that at no stage in the legislative process was there one negative or even skeptical comment about that feature of the bill. Accordingly, we ask that a similar provision be added to the pending legislation, and that it be applied to the Fund as a whole, and not merely to this year's request.

Thank you.

Statement of the American Council for the Arts

Mr. Chairman, distinguished Members of the Subcommittee, the American Council for the Arts (ACA) is pleased to present the following statement in strong support of providing the National Endowment for the Arts (NEA) with $200 million in Fiscal Year 1988.

The American Council for the Arts (ACA) is one of the nation's primary sources of information on issues affecting all of the arts, and serves as an advisor to arts administrators, educators, elected officials, arts patrons, and the general public. ACA's arts library, now part of the 15,000 volume collection of the Arts resource Consortium at Equitable Center, contains extensive material on arts education, policy and management. ACA is comprised of cultural trustees, corporate and foundation leaders, educators, arts managers and working artists.

Certainly the Subcommittee is constantly reminded, the impact of automation, computerization, and new communication technology has made profound changes not only in business and industry, but in how Americans live. It has expanded leisure and, with new forms of home entertainment, created access to more amusement. Yet, rather than replacing or even diminishing interest in live performances, the new technology appears to have helped create a greater audience for them. This was an important finding of "Americans and the Arts, 1984," a national survey of public opinion commissioned by Philip Morris and conducted by Louis Harris.

The survey found that an overwhelming majority of the public—fully 90 percent—feel it is more meaningful and exciting to see a live performance than to watch it on television. The survey confirmed the fact that since the mid-1980s America has been in the middle of a cultural boom. Attendance at opera and musical theater had increased by 40 percent since 1980. The audience for live theater had continued to expand, and included more than two out of three adult Americans. And more than 100 million adults had attended at least one museum exhibition that year. The survey found near unanimous conviction among Americans that the arts are important to the quality of life in their communities.

The public's willingness to buy tickets remains strong. Indeed, the growth of income earned by arts organizations—the money they take in from ticket sales, subscriptions--has contributed more than any other source of income to their budget increases of recent years.

But earned income alone clearly cannot sustain continued cultural expansion. There are no answers for them in the cost-cutting strategies of industry. The gains

of modern technology are not available to the arts. Improved equipment and plant modernization will not make it possible to play Beethoven's Ninth one minute faster --or with one less cellist or chorister. Art remains a high-cost, labor-intensive enterprise that rarely is self-supporting. For the arts to flourish, society must be willing to invest in them.

The great cultural awakening of America over the last two decades was made possible only because that base of support broadened. And it is hard to imagine a more important development in that process than the formation of the National Endowment for the Arts. The NEA brought something new to the cultural scene--government leadership and guarantees of quality. NEA provided seed money--dollars that could grow and generate returns far greater than the Endowment's modest program of challenge grants.

With its professional staff and peer panel review system, NEA provided what amounted to guarantees of artistic value for contributors new to the cultural scene. Its "stamp of approval" indicated those ventures that were worthy of support. Thus, the Endowment was able to direct private sector funds to the avant garde as well as the mainstream--to the innovative as well as the traditional.

The multiplier effect of NEA dollars was evident in increased state support and local support—and in the way private sector contributions escalated. In 1967, the year after the NEA was formed, corporate contributions to the arts totalled just $22 million. But as NEA support increased, corporate contributions quickly outstripped them. In 1979, when NEA appropriations reached $150 million, American corporations made grants totalling $435 million.

Between 1979 and 1984, although NEA appropriations increased by only some $17 million the Business Committee for the Arts estimated corporate contributions rose to more than $600 million. Since then, Endowment funding has remained relatively unchanged, while the American business community has come to spend close to $700 million a year in support of the arts, according to the Business Committee's estimates.

The Endowment's leadership coincided with the emergence of new ideas and attitudes within the corporate community--a new recognition of social responsibility and the need to develop stronger community ties. George Weissman, former Chairman of Philip Morris and now Chairman of the Lincoln Center, put it this way. "Our business activities must make social sense," he said, "and our social activities must make business sense."

It makes sense for businesses to support the arts in the towns and cities where their plants and offices are located. Art forms a link between the corporation and the community. What the private sector expects to produce is recognition of their responsible corporate citizenship.

The formation of the NEA helped bring hundreds of new companies onto the cultural scene. This did not, however, give the arts priority over such other areas of concern as health, human services or education. The great growth in corporate support for the arts in recent years has reflected, more than anything else, an overall increase in corporate philanthropy.

Looking ahead, it seems appropriate to repeat Edward R. Block, formerly with AT&T and a past ACA Board member, when he said that although the arts have "earned a growing share of an enlarged philanthropic pie, --corporate support for the arts will increase only marginally, if at all, in the near term."

Private sector foundation support for the arts also appears to be leveling off as demand in other areas rises. And even though the states doubled their support of the arts between 1981 and 1986, the Members of this Subcommittee need not be reminded of the growing financial pressures on them and on local governments.

ACA applauds the Subcommittee and the Congress for appropriating more for the NEA than the Administration has been recommending over the past six years. Nonetheless, this produced relatively little change in NEA funding throughout this period. Thus, federal support of the nation's arts organizations--some 20 thousand of them--has significantly diminished.

ACA does not believe it will be possible to sustain further growth or even maintain the present level of cultural activity without a more active federal role. The Endowment must have the capacity to reassert itself. In a time of competing

priorities, the NEA is the strongest mechanism for articulating the public demand for the arts. It needs new federal dollars to move in new directions. For where the NEA has moved, the private sector has followed. Without NEA leadership, private sector support for the arts is in danger of losing much of its impetus and direction.

Arts education has become an increasingly discussed topic across this country through the leadership of NEA Chairman Frank Hodsoll and others. The arguments for more and better education in the arts have been presented by virtually all arts education groups including educational systems, state departments of education, higher education, and associations representing art, music, dance and drama teachers. Corporations now realize that there is a critical need for rigorous and comprehensive arts education programs in each community. However, as has been so often true in the past, we need the leadership and the partnership of the NEA. The policy planning and advocacy for arts education must, at this moment in our history, be backed with funding both from the NEA and the private sector.

ACA is specifically recommending that the funding for the NEA be increased to $200 million, along with an increase in funding for Arts in Education Program. We need these dollars to build bridges between the arts world, represented by the cultural organizations and artists, and the schools. We need to build on the initial efforts of the state arts agencies supported by Congress last year, as well as the on-going programs of each of the disciplines within the Endowment. There is the need to provide money to stimulate research and policy in arts education so that those in a position to fund programs can have a better understanding of needs and deficencies in our nation's arts programs.

ACA recognizes the budget problems the Congress must resolve. Yet, ACA knows that no federal expenditure has been able to achieve so much with so little. Furthermore, ACA believes that nothing will be more costly--in its longterm impact on the arts in America--than the failure of the Congress to raise the NEA appropriation substantially.

The arts contribute to the long term health of society. Remember that when civilizations are judged, it is the arts that are remembered in the long span of time. Art is the legacy we leave our children.

The arts also contribute to economic growth. A study by the Metropolitan Museum of Art, for example, showed that their exhibition on treasures from the Vatican brought $100 million worth of additional funds to the economy of New York City. Similar multiplier effects have been documented for the arts in other areas.

So this is why ACA is not urging just a $20 million increase above the Administration's recommendation. That would leave the Endowment pretty much where is has been for the past six years--lagging far behind the rest of the field. ACA instead is urging the Subcommittee to press for a $200 million appropriation.

It is what is needed. It is what the people want. And it is what they are willing to pay higher taxes to ensure.

The 1984 survey by Philip Morris found that as access to the arts has increased...so has the willingness of Americans to see their tax dollars spent on the arts. More than 70 percent would pay an extra five dollars to the Internal Revenue Service if that money went to support the arts. And more than 50 percent would willingly give the government an extra 25 dollars for that purpose.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1988

WEDNESDAY, FEBRUARY 18, 1987

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Burdick, Reid, McClure, Stevens, and Nickles.

DEPARTMENT OF ENERGY

OFFICE OF THE SECRETARY

STATEMENT OF JOHN S. HERRINGTON, SECRETARY OF ENERGY

ACCOMPANIED BY:
ELIZABETH E. SMEDLEY, CONTROLLER
DONALD L. BAUER, PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR FOSSIL ENERGY
DONNA R. FITZPATRICK, ASSISTANT SECRETARY FOR CONSERVATION AND RENEWABLE ENERGY

BUDGET REQUEST

Senator BYRD. The hearing will come to order.

I offer my apologies, Mr. Secretary, for my tardiness. The President invited the joint leadership of both Houses to the White House to have breakfast this morning to discuss trade legislation, which is a very important subject. For that reason, I could not be here on time, and I am sorry.

This is the time that is scheduled for the Department of the Interior and Related Agencies Appropriations Subcommittee to receive testimony on the fiscal year 1988 budget from congressional witnesses and the Secretaries of the Department of Energy and the Department of the Interior.

We will hear first from the Secretary of Energy, who has other pressing commitments this morning as well.

The President's fiscal year 1988 budget request for energy programs under this subcommittee's jurisdiction totals $824,356,000, which is a

decrease of $260,094,000, or 24 percent, from the appropriations made available for fiscal year 1987.

Secretary Herrington, you have the distinction of being the subcommittee's first witness on our first day of hearings for the fiscal year 1988 budget. I extend a warm welcome to you.

PREPARED STATEMENT

We have your prepared statement. It will be inserted in the subcommittee's record. In the interest of saving time, after you introduce any associates whom you may wish to introduce, we will move quickly to your abridged statement, if you care to make one, and to questions.

[The statement follows:]

STATEMENT OF JOHN S. HERRINGTON

Mr. Chairman and Members of the Committee, I appreciate the opportunity to present the FY 1988 budget for the Department of Energy. This budget was carefully developed to meet two objectives:

- continue to provide strong and effective financial support to essential programs in the Department's energy, science, and defense mission areas, and

- contribute to the overall Federal obligation to limit growth in the Federal budget and reduce the deficit.

We have achieved these objectives in this budget. The FY 1988 budget meets our increasing national security requirements, and maintains, and even deepens, our commitment to priority programs identified in past years, such as basic energy and science research, environment, safety and health, safeguards and security, and clean coal technology development. At the same time, the budget contributes strongly to the deficit reductions the law--and the American people--demand.

Before discussing details of the budget itself, I would like to describe the Department's policy and budget initiatives.

POLICY AND BUDGET INITIATIVES

The FY 1988 budget reflects certain recurring policy themes of this Administration which we strongly believe to be proper guidelines for responsible fiscal management of the Department of Energy. These include confining our support to those essential activities which are properly the responsibility of the Federal government, and withdrawing from activities where the justification for a Federal role is weak. In budget terms, this means several things: a continued emphasis on removing certain activities from Federal ownership and control and selling these assets to non-Federal entities; a rigorous drive to eliminate improper Federal subsidies for programs and projects which the private sector should be responsible for supporting; and further efforts to improve technology transfer and to secure meaningful cost sharing with private sector technology sponsors.

Programs where the justification for the Federal role is strong and clear are amply supported in this budget. These include such energy and science research areas as biological and environmental research, materials and chemical sciences, and high energy and nuclear physics, as well as our essential National defense activities. The strong commitment to these areas of research is part of a major Administration initiative to maintain and strengthen the Nation's scientific leadership and technological competitiveness. The most dramatic evidence of this commitment is the recent decision by President Reagan to support construction of the world's largest and most advanced particle accelerator, the Superconducting Super Collider. This decision ensures that the United States will retain world leadership in high energy physics. Other major projects supported in this budget that will facilitate frontier research efforts include the Continuous Electron Beam Accelerator Facility in the nuclear physics program and the Compact Ignition Tokamak in the magnetic fusion energy program.

The budget continues the major effort we began in 1985 to assure a standard of excellence at our facilities by addressing and correcting past safety and environmental problems while simultaneously seeking to prevent current and future violations of safety and environmental standards. The Department's commitment to effective safeguards and security at our facilities also continues to receive strong support.

The Department is applying substantial resources to solving the acid rain problem. A major environmental initiative which will receive increased emphasis is our effort to find ways to burn coal more cleanly. In addition to a number of advanced techniques being studied in our core fossil energy research and development budget, we are proposing to increase our Clean Coal Technology activities by drawing on funds in the Clean Coal Reserve budget account to investigate promising retrofit, repowering and modernization technologies.

Another significant proposal in the Department's FY 1988 budget concerns the Strategic Petroleum Reserve (SPR). At the end of FY 1987 the SPR will hold 534 million barrels of crude oil, in addition to the millions of barrels of stocks held by other nations and the private sector. Our budget proposes to return the fill rate from the present 75,000 barrels per day (BPD) to the previously mandated level of 35,000 BPD while permitting continued production from the Naval Petroleum Reserves. The difference between filling at 75,000 and 35,000 BPD in FY 1988 is only a minimal increase in protection secured at an estimated cost of approximately $225 million in additional FY 1988 outlays. In a time of fiscal constraint, it is our belief that the benefit is not worth the additional cost.

The Department is renewing its efforts to divest activities which are more appropriately managed by non-Federal entities. In particular, we are proposing legislation authorizing the sale of the Federal interest in Naval Petroleum Reserves (NPR) 1 and 3, and legislation authorizing a study of the feasibility of divestiture of the Southeastern Power Administration. Also, we will continue planning activities for the sale of the Alaska Power Administration. Neither the utility functions of the Power Marketing Administrations (PMAs) nor the oil field operations of the NPRs are fundamentally Federal in nature, and non-Federal entities could perform the same services with equal or greater efficiency.

For budgetary purposes, it is assumed that the two NPRs will be sold in FY 1988 for $3.3 billion, with $2.5 billion received in FY 1988 and $0.8 billion in FY 1989. Of course, the actual sales price will be determined by the competitive market. While the sales process is proceeding the FY 1988 budget proposes full funding for operation of the NPRs. The two PMAs are assumed to be sold in FY 1989. We will be working cooperatively with the Congress and in consultation with current PMA customers, and no implementation of PMA divestiture will occur until after subsequent Congressional review and approval.

Another initiative affecting the PMAs is repayment reform. Legislation will be proposed to ensure that repayment of the Federal investment in these facilities will proceed on a fixed amortization schedule as long as the PMAs remain under Federal control. While this initiative will not affect the level of Federal funding in support of the PMAs, it will assure that repayment of the Federal investment will occur on a timely, stable, and predictable basis.

With this as introduction, I will turn now to the FY 1988 budget request.

FY 1988 BUDGET SUMMARY

The FY 1988 budget for the Department of Energy is $13.9 billion. This budget supports a level of overall program activity which is essentially unchanged from FY 1987, but the request for new budget authority is higher. This is because in FY 1987 our programs benefit from substantial amounts of funds carried over from prior years, including approximately $690 million made available to nuclear and non-nuclear technologies in the Energy Supply Research and Development appropriation account.

At this point, I would like to discuss the budgets for selected program areas.

GENERAL SCIENCE

The budget request for the General Science appropriation of approximately $815 million is a 13 percent increase over the FY 1987 funding level. This sizeable increase reflects the Administration's belief that the key to maintaining the Nation's competitive edge in an increasingly technological world includes expanded support for frontier research. The programs that comprise the General Science appropriation, High Energy Physics and Nuclear Physics, aim at improving our understanding of the fundamental nature of matter and energy. Powerful accelerators and other advanced research facilities are required to carry out this research. The substantial increase in this appropriation is due mainly to higher funding proposed for research and development and the use of new accelerators and experimental facilities, plus construction funding for the Continuous Electron Beam Accelerator Facility in Newport News, Virginia.

The highlight of the High Energy Physics program budget request is the proposed Superconducting Super Collider (SSC) project. With an energy level 20 times

greater than currently available anywhere in the world, the SSC will probe deeply into the fundamental building blocks of matter. The total project cost of the Super Collider, with its racetrack-shaped tunnel 52 miles in circumference, is $4.4 billion in FY 1988 dollars. This includes the cost of detectors, computers, and preoperation expenses, as well as construction of the facility and the approximately 10 thousand superconducting magnets used to guide the protons into head-on collisions. In FY 1988, $35 million is requested for the SSC, which includes $10 million for construction activities and $25 million for research and development.

ENVIRONMENT

One of my highest priorities has been to upgrade the environment, safety and health activities of the Department of Energy. I wish to ensure that our facilities comply with all applicable environmental statutes and regulations, and that the health and safety of the public, our employees, and our contractors is protected. The budget for the Environment, Safety and Health program is $70 million, which represents a 13 percent increase over the FY 1987 level. A significant part of that funding increase will be applied to continuing the Environmental Survey and the Technical Safety Appraisals of the Department's facilities. These programs are designed to identify and prioritize environmental problems and areas of risk so that corrective actions might be carried out most effectively.

Another environmental program which shows significant growth is Biological and Environmental Research. The budget request of $218 million in FY 1988 is 12 percent above the FY 1987 level. This program makes use of the Department's unique capabilities in the life sciences to identify and assess the long-term health effects and environmental consequences of energy development and use. A significantly increased radon research program is included, as is an enhanced effort to better understand the structure and function of genes. Research on the "greenhouse effect" is also supported in this program.

CLEAN COAL TECHNOLOGY

A major initiative in this budget is the significant expansion of the Clean Coal Technology program, which is designed to support demonstrations of technologies that show promise for burning coal cleanly. Our ability to make full use of our vast coal reserves depends in large part on being able to use coal in a manner that is both environmentally acceptable and economically viable.

The present three-year program envisions the Department proceeding with nine projects selected last summer for negotiation of cooperative agreements. It makes use of $396 million in previously appropriated funds. In FY 1988, the Department is proposing to begin applying the remaining $350 million in the Clean Coal Technology Reserve, starting with an additional $50 million in FY 1988. An advance appropriation of $100 million in FY 1989 is also requested.

Two additional competitive rounds of demonstration projects are planned in the 1988-1992 timeframe. Technologies which can retrofit, modernize, or repower existing coal burning facilities would be eligible for consideration in both rounds. These demonstrations would be targeted closely to recommendations in the Joint Report of the Special Envoys on Acid Rain. A feature of the Clean Coal Technology program is that the industrial sponsors of the technology must provide at least 50 percent cost-sharing.

NUCLEAR ENERGY

Research and development activities in support of nuclear energy technologies are funded at $336 million, slightly above the FY 1987 level of activity. The program mix includes a balanced research and development program for both civilian nuclear power and space and defense nuclear energy sources. The emphasis begun in FY 1987 on Space and Defense Power Systems continues. Its budget doubles in FY 1988, primarily as a result of the increase for the design and construction phase of the Ground Engineering System for the SP-100 space reactor power system.

Support for civilian nuclear power continues in the Light Water Reactor and Advanced Reactor Research and Development programs. Research on fuel cycle improvements and on advanced concepts as alternatives to current power reactor systems will be focussed more sharply, with emphasis in FY 1988 on modular reactor systems that offer passive safety features and the potential for improved economic performance. An international program in support of the high-temperature gas reactor will also be conducted.

MAGNETIC FUSION

The budget for Magnetic Fusion is $346 million. Although the funding profile is essentially level, continued progress is expected in FY 1988 in this program. The principal new initiative will be the start of construction of the Compact Ignition Tokomak at Princeton University. The device is designed to prove that a plasma can be ignited and burn without continuous external heating.

BASIC ENERGY SCIENCES

The Basic Energy Sciences program performs generic, long-range research in support of both nuclear and non-nuclear technologies. Research efforts involve the physical and biological sciences, engineering, applied mathematics, and geosciences. In FY 1988, higher funding is proposed for the highest priority research areas and to maintain the level of operations in the Department's major facilities at the Argonne, Brookhaven, Los Alamos, and Oak Ridge National Laboratories and the Stanford Synchrotron Radiation Laboratory. The FY 1988 budget request of $479 million is below the FY 1987 appropriated level, but the Department is proposing FY 1987 rescissions of approximately $62 million for certain university projects which do not further the Department's primary research goals.

FOSSIL, CONSERVATION, AND SOLAR AND OTHER RENEWABLES

The FY 1988 budget requests for Fossil Energy, Conservation Research and Development, and Solar and Other Renewables are consistent with our FY 1987 request but well below the appropriated levels. It is the Department's firm belief that Federal funds must be directed only at the highest priority research and development needs where funding support from industry cannot reasonably be expected. We believe that the private sector can, and should, provide financial support for projects involving proprietary product or process development. Consequently, FY 1987 rescissions totaling approximately $76 million are being proposed to eliminate inappropriate Federal subsidies and better align the FY 1987 programs with the FY 1988 requests.

Of the $169 million proposed for Fossil Energy Research and Development, $109 million is directed towards coal research. The major thrust is in acid rain-related technologies, primarily in the control technology and coal preparation and the combustion systems program areas. High priority research efforts will also be continued in petroleum and unconventional natural gas recovery.

Conservation has made important contributions to the Nation's improved energy posture. The emphasis of energy conservation research and development is to assist the private sector by conducting research targeted at expanding the technology base upon which industry can draw in developing new products and processes for the marketplace.

The budget for Conservation Research and Development is $80 million, divided principally among the Industry ($16 million), Transportation ($22 million), and Buildings and Community Systems ($15 million) end-user program areas; and the Multisector program ($20 million), which supports crosscutting research and development in such areas as combustion and thermal sciences, materials sciences, biocatalysis, and tribology.

The focus of the Solar and Other Renewables energy program is on supporting research and development that will strengthen the technology base on which industry can draw in developing new products and processes for the commercial market.

The budget for Solar and Other Renewables is $94 million, and is focussed primarily on Solar Energy ($71 million) and Geothermal ($16 million) technologies.

Within Solar Energy, the principal program components are photovoltaics, solar thermal, and biofuels energy systems. Cost sharing and technology transfer is actively being pursued in each area.

The Fossil Energy, Conservation, and Solar program areas are all participating in the Cooperative Research and Development Venture initiative, which is currently in the exploratory stages. This innovative effort seeks to make it easier for competing companies to pool their research and development efforts in pre-competitive areas, with the Federal government joining these industry consortia as a minority partner. The base technology developed in this way will become an input to each partner's own proprietary product and process developments. In addition to the benefits to the taxpayer from the substantial level of industry cost sharing, technology transfer should be much improved by having the companies expected to exploit and deploy the technologies involved in the research from the beginning.

In FY 1988, $17 million will be proposed for these ventures; $7 million for Fossil Energy and $5 million each for Conservation and Solar. The President's budget does not yet include these figures; they will go forward as a budget amendment as soon as consultations with industry groups are concluded. At the present time, it appears that likely technology candidates for the cooperative venture program include, but are not limited to, extraction and coal utilization technologies in Fossil Energy; steel, papermaking, building materials, and high-temperature ceramics in Conservation; and photovoltaic and geothermal technology development in Solar and Other Renewables.

WASTE ACTIVITIES

Safe storage, handling, and disposal of civilian and defense nuclear waste and cleanup of contaminated facilities has long been a major priority of the Department of Energy. The Department of Energy's nuclear waste programs are managed by the Defense Programs, Nuclear Energy, and Civilian Radioactive Waste Management offices. In FY 1988, almost $1.6 billion is requested for waste activities, an increase of $113 million from the FY 1987 level.

The largest funding component, $811 million, is for Defense Waste Management, which shows significant growth over FY 1987. Major increases are proposed for the Defense Waste Processing Facility at the Savannah River Plant in South Carolina and the Waste Isolation Pilot Plant in New Mexico, which are scheduled to become operational in the FY 1989-1990 time frame. The budget also provides for initiation of the Waste Vitrification facility at the Hanford, Washington site.

The purpose of activities conducted under the Nuclear Waste Disposal Fund program, managed by the Office of Civilian Radioactive Waste Management, is to provide for the permanent and safe disposal of spent nuclear fuel and high-level radioactive waste. The budget request for FY 1988 is $500 million, which is consistent with the funding levels provided in fiscal years 1986 and 1987. However, an amendment to the program's Mission Plan and a detailed budget supporting a $725 million program in FY 1988 have been prepared. Following review by Congress, a budget amendment will be submitted for the $725 million program necessary to carry out the schedule described in the Mission Plan amendment. It is our hope that the amendment to the Mission Plan will provide a suitable vehicle for Congress to provide direction it believes is needed for conduct of the program.

The other major element within the waste activities category is the Remedial Action program in the Nuclear Energy organization, which is concerned with waste stabilization, decontamination, and decommissioning of various Federal and legislatively mandated non-Federal facilities and sites. After a number of years of rapid growth as new sites were identified, site surveys were completed, and environmental mitigation efforts begun, the FY 1988 budget of $252 million maintains an effective program of cleanup activities at existing sites.

DEFENSE ACTIVITIES

The FY 1988 budget request for the Atomic Energy Defense Activities appropriation account is $8.1 billion. In FY 1989, the request is $8.5 billion.

Excluding the effect of anticipated inflation, the growth in this account averages 3 percent each year over the FY 1987 level.

The FY 1988 budget includes $0.8 billion for Defense Waste Management, as discussed above. It also includes $2.1 billion for Weapons Research, Development, and Testing; $2.4 billion for Weapons Production; $1.9 billion for production of special nuclear materials; and $0.6 billion for Naval Reactors Development, and $0.2 billion for other defense activities.

The Weapons Research, Development, and Testing budget increases in FY 1988, due in part to significantly increased funding in support of the Strategic Defense Initiative (SDI). SDI funding increases from $349 million in FY 1987, which includes $32 million of prior year funds, to $481 million in FY 1988.

Weapons Production and Materials Production show only modest increases over the previous budget levels. The Department's defense production activities respond directly to the requirements of the Defense Department. The FY 1988 budget assumes delivery of six different nuclear weapons systems, and the beginning of pre-production construction activity for the Small Intercontinental Ballistic Missile warhead. The Materials Production budget assumes operation of the production reactors at the Savannah River facility in South Carolina, and a full year of normal operation for the N-Reactor at Hanford, Washington, which is currently in a stand-down status for safety improvements.

STRATEGIC PETROLEUM RESERVE

The budget for the Strategic Petroleum Reserve (SPR) is $270 million; $142 million for facilities development and management and $128 million for oil acquisition and transportation. The facilities funds will be used to continue operation and maintenance of the Reserve and permit continuation of activities to improve the system's drawdown capability. Construction activities at the Bayou Choctaw and Big Hill sites will be completed during FY 1988 using funding from prior years.

The oil acquisition funding request will permit an FY 1988 fill rate of 35,000 barrels per day (BPD). The budget includes appropriation language proposing this fill rate in lieu of the currently mandated rate of 75,000 BPD. Supporting authorization legislation also will be submitted shortly. The SPR will hold 534 million barrels of crude oil at the end of FY 1987. While the Administration remains committed to achieving a full 750 million barrel SPR, it believes that the pace for reaching that goal must be determined, in large part, by fiscal priorities. Adhering to the 75,000 BPD fill rate is estimated to increase FY 1988 outlays by about $225 million while having only a minimal effect on the level of protection offered by the SPR.

URANIUM ENRICHMENT

The major emphasis in the Uranium Enrichment program in FY 1988 is to reduce the cost of operation of the gaseous diffusion plants (GDPs), so that the Department's enrichment services become competitive in the world market. The budget request of $1.1 billion is almost 13 percent below the FY 1987 program level, and reflects further reductions in the production levels of the GDPs. Through 1988, DOE's inventory of enriched uranium will continue to be drawn down to enable the enterprise to meet customer delivery requirements at minimum production cost.

The Department is not requesting FY 1988 funding for the Atomic Vapor Laser Isotope Separation process, and will continue to pursue the possible divestiture of the Uranium Enrichment enterprise. In FY 1988, $231 million in excess revenues will accrue to the Treasury in partial repayment of the unrecovered government investment in enrichment facilities.

TWO-YEAR BUDGET

As a result of recently enacted Defense Authorization legislation, the Administration is submitting a two-year budget for all activities contained in Budget function 050 (Defense). Consequently, the Department of Energy is requesting funds for FY 1988 and FY 1989 for the Atomic Energy Defense

Activities appropriation account. The average real growth in this account over the two year period is three percent per year.

FY 1987 RESCISSIONS

The Department is proposing a number of FY 1987 rescissions of budget authority for programs or projects which are not funded in the FY 1988 budget. The purpose of the rescissions is to realign the FY 1987 effort to better reflect our FY 1987 and FY 1988 budget recommendations, by withdrawing support for activities that do not further the Department's primary research goals. The total amount of the rescission proposals is approximately $257 million.

Mr. Chairman, I believe that the budget I have summarized meets the Department's responsibilities in its several mission areas in a manner that recognizes both today's fiscal imperatives and tomorrow's anticipated needs.

INTRODUCTION OF ASSOCIATES

Secretary HERRINGTON. Mr. Chairman, thank you, and thank you for the invitation to appear this morning. I would like to submit the full statement for the record, and I thank the chairman for doing that.

In the interest of time and to get us back on schedule, if the chairman so desires I will waive the summarization of that statement. I think we could get right to the questions if that is your desire, sir.

Senator BYRD. Very well.

Would you like to present others on your staff who are with you?

Secretary HERRINGTON. Thank you, Mr. Chairman. The Principal Deputy Assistant Secretary for Fossil Energy Donald Bauer, on my left; Betty Smedley the Controller from the Office of Management and Administration; and I also have with me Donna Fitzpatrick, Assistant Secretary for Conservation and Renewable Energy.

ENERGY SUPPLY PREDICTIONS

Senator BYRD. Your predecessor, the current Secretary of the Interior, Mr. Hodel, has been quoted in several news accounts recently as predicting a return during the next 2 to 5 years of the long gasoline lines that plagued this country twice in the 1970's. Do you agree with this prediction?

Secretary HERRINGTON. I think all predicting is extremely difficult. The one thing that we have not done well is predict over the past few years. There were those who predicted rolling brownouts and oil at $80 to $100 a barrel. It is a difficult thing to do. I share his concern with increased imports that are happening in the United States. I share his effort to keep a viable oil and gas industry in this country productive, with strong exploration budgets. I strongly support his efforts on opening up ANWR, his offshore leasing program, and work on the Federal lands. Those are all farsighted, strong initiatives on his part.

Senator BYRD. Research funding directed at ways to expand the use of coal, our most abundant domestic energy resource, is reduced dramatically in this budget; petroleum acquisition for the strategic petroleum reserve [SPR] is down; domestic consumption of oil is up and going up further.

Does this situation make sense?

Secretary HERRINGTON. I think there is a balance that needs to be met between energy policy, Mr. Chairman, and the budget efforts that are ongoing by yourself and the other leaders in Congress. We found it very difficult, as I think you have, meeting the Gramm-Rudman $108 billion deficit reduction target.

I have spent a great deal of time on this program. I feel that our program, although lean, is a balanced program. It has credibility for a Federal program. Part of what I am saying derives from the fact that we have a very strong Clean Coal Technology Program, one of the most successful programs in the Department today. Although that does not fall under the research budget, if you couple that with the research budget we have a viable program, and I think a lot of it is due to your leadership.

STRATEGIC PETROLEUM RESERVE

Senator BYRD. Do you think that we should have more research funding for coal, for the production of synthetic fuels from coal, for clean coal technology, and more money for SPR? Haven't we passed up a golden opportunity to take advantage of low oil prices in filling our strategic petroleum reserve, an opportunity that may not come again?

Secretary HERRINGTON. On the SPR issue, Mr. Chairman, I think it is clear that as an energy policy an aggressive SPR rate of fill is probably one of the best things we can do in this country. Last year the fill rate mandated by Congress of 75,000 barrels a day was a reasonable fill rate and a good one. One thing we must remember is that our maximum fill rate under current constraints, the number of pipes, the number of caverns, is only 100,000 barrels a day. So we are close with 75,000.

I think we would like to have continued 75,000 barrels a day as an aggressive fill rate, but I think the budgetary constraints have caused us to propose a fill rate of 35,000 barrels. It is a compromise between energy policy and budgetary policy and the constraints we are under. The difference between 35,000 and 75,000 barrels a day only provides in the next year, I think, an additional 4½ days protection at a cost of about $225 million. It is a reasonable tradeoff.

We will do what Congress asks us on this fill rate.

CLEAN COAL PROGRAM

We are proud of the clean coal program, Mr. Chairman. Under clean coal I we have had nine projects selected, two of which have concluded negotiations and their reports have been sent to Congress; the other seven projects are in various stages of factfinding and negotiation. I think these are excellent projects.

With clean coal II coming up, we have had 139 responses to the informational proposal for statements of interest, and they have totaled $5.160 billion.

We have clean coal III, which we hope will be a follow-on to the technologies that we test and examine under clean coal II.

There is a point where we are not able to spend this money fast enough or evaluate fast enough. To me, clean coal I and clean coal II form the basis of an excellent program, and we should wait until the technologies are developed on those before we move into clean coal III.

Senator BYRD. Are you proposing additional money for clean coal III over and above the $750 million originally authorized?

Secretary HERRINGTON. Not at this time, sir. We need to look at what technologies we get out of clean coal II.

Senator BYRD. Clean coal II being the retrofit?

Secretary HERRINGTON. Yes, sir; and the repowering to increase capacity and efficiency and reduce emissions. We need to do a little more work on what the winners and losers are in that particular technology area.

Senator BYRD. What do you have in mind for clean coal III?

Secretary HERRINGTON. I think we need to find out what we are going to have. We have budget planning, obviously, but whether that is adequate or inadequate is hard to say. We have requested $50 million in fiscal year 1990, $100 million in fiscal year 1991, and $50 million in fiscal year 1992. There are technologies that are not mature enough now to respond to clean coal I or II. Their focus should be on emission reduction. That is what we are thinking. But it is preliminary planning.

Senator BYRD. Do you see clean coal technology as the way to go in dealing with the acid rain phenomenon?

Secretary HERRINGTON. This is a hard question for me, because I am not convinced that there is a linkage yet between what all the causes of acid rain are and what the effects of acid rain are. I have great skepticism on some of the claims that are being made. However, efforts in that area are perceived as helping acid rain.

I think I should point out for the record that the efforts of this country on air emissions, particularly acid rain, are truly legendary. Our new clean coal burning report that we are putting out today, which I think you have a preliminary copy of, shows that the U.S. coal burning utilities alone have committed more than $60 billion in the last 10 years to meet a set of sulfur dioxide reduction standards that are probably among the most stringent in the world. Under the EPA evaluation, the estimates they have made, American industry has spent almost $225 billion to comply with the Clean Air Act of 1970. That is a pretty good record.

REDUCTION OF COAL RESEARCH BUDGET

Senator BYRD. The request for coal research decreased by some 46 percent in the fiscal year 1988 budget compared to the fiscal year 1987 appropriations, from $203 million to $109 million; am I correct?

Secretary HERRINGTON. I think the driving force on this, sir, is budgetary only. For example, one of the technologies that we are recommending for reduction is MHD. Talking with some of the experts, we tried to pick technologies for funding that offer more promise than other technologies. So that would be driving those particular budget decisions.

Senator BYRD. Granted that there are budgetary constraints and severe ones, in contrast to the decrease in funding requested for coal research, I note that the Department is requesting before another appropriations subcommittee $4.4 billion for a multiyear effort to develop a superconducting super collider to accelerate atomic particles as part of the High Energy Physics Program. Also to be noted is the Department's request for nuclear research and development. That was cut by only 3 percent, from $610 million to $590 million.

Why the super emphasis on a super collider and on nuclear research and development with miniinterest or submini interest in coal research?

Secretary HERRINGTON. The nuclear program has had some severe cuts in the past. This is a balancing to keep a critical program. If you take the cuts over the last few years, I believe that we will show a pretty even budgetary approach to most of these research programs.

The collider is another story.

Senator BYRD. Incidentally, would you supply for the record the statistics on what you just referred to over the past few years?

Secretary HERRINGTON. Yes, sir.

Senator BYRD. Let's see what the total picture is with respect to nuclear research. Let's see what the total picture is with respect to coal research over those years.

Secretary HERRINGTON. Yes, sir.

Senator BYRD. Along with that supply the history of the requests for nuclear research and coal research.

Senator NICKLES. Mr. Chairman, could we add oil and gas in that as well?

Senator BYRD. And oil and gas.

Senator NICKLES. I appreciate that.

Senator BYRD. Oil and gas is of very much interest to West Virginia. West Virginia at one time was the leading oil producer in the country and probably has more gas wells now than any other State east of the Mississippi. So include that as well.

Secretary HERRINGTON. Yes, sir.

[The information follows:]

NUCLEAR AND FOSSIL R&D FUNDING HISTORY

[In millions of dollars]

Fiscal year	Congressional request	Appropriation
Nuclear R&D: [1]		
1982	844.0	812.7
1983	699.4	702.3
1984	731.6	628.1
1985	425.1	412.7
1986	350.0	372.4
1987	330.9	327.6

See footnote at end of table.

NUCLEAR AND FOSSIL R&D FUNDING HISTORY—Continued

[In millions of dollars]

Fiscal year	Congressional request	Appropriation
Fossil energy R&D:		
1982	435.3	416.9
1983	106.9	217.5
1984	94.0	259.2
1985	202.7	274.9
1986	156.9	[2]309.4
1987	82.8	[3]295.9

[1]Does not include commercial waste or remedial action funding. Includes funding for space and defense energy systems.
[2]Net of the Gramm-Rudman-Hollings reduction.
[3]Does not include the clean coal program.

SUPERCONDUCTING SUPER COLLIDER

Senator BYRD. Proceed, please.

Secretary HERRINGTON. Thank you, Mr. Chairman.

The super collider is a different story. The efforts on the super collider are to keep world leadership in the field of high energy physics. Since the early 1930's this country has been a world leader in high energy physics.

An argument can be made that $2 out of every $3 in U.S. commercial activity owes its existence to our knowledge of the atom. It is a tough figure to get your hand on.

All the efforts we have had at Lawrence Berkeley, at the Stanford linear accelerator, at Fermi, and at our other national laboratories have led to breakthroughs in nuclear medicine, high density computer chips, supercomputing, and in a number of fields of commercial activity. Today we are on the edge of losing our world leadership in high energy physics. This is an investment for the future. It can be asked, what will you get out of it? That is a difficult question to answer, but in the past this country has always done very well in world leadership in these R&D efforts.

We think this project is necessary to move forward at this time.

Senator BYRD. Should we not be No. 1 in coal research as well?

COAL RESEARCH REQUEST

Secretary HERRINGTON. I think we should.

Senator BYRD. Did you request from OMB more moneys than are in the budget for coal research?

Secretary HERRINGTON. I think we did, sir.

Senator BYRD. If so, what amounts did you request and for what use?

Secretary HERRINGTON. We asked for $212 million and we are submitting to the Congress $169 million.

Senator BYRD. I understand that is all of fossil energy, including oil and gas.

Secretary HERRINGTON. Yes.

Senator BYRD. What about coal?

Secretary HERRINGTON. The figures on coal broken out: we asked for $122 million and got $109 million.

Senator BYRD. What did you request last year?

Secretary HERRINGTON. I don't recall what we had last year. I could supply it for the record.

[The information follows:]

FOSSIL ENERGY FUNDING FOR FISCAL YEAR 1987 COAL PROGRAMS

The Department's fiscal year 1987 budget requests for the Fossil Energy R&D Coal Program were as follows: Fiscal year 1987 OMB request, $170,226,000; and fiscal year 1987 congressional request, $82,227,000.

COAL RESEARCH AND DEVELOPMENT REDUCTIONS

Senator BYRD. What is coming up short from the $13 million that was cut out?

Secretary HERRINGTON. Mr. Chairman, I would like to submit that for the record. I believe it is across the board.

[The information follows:]

NET REDUCTIONS MADE TO THE FISCAL YEAR 1988 OMB BUDGET REQUEST FOR COAL R&D

The following list describes the net reduction of $13 million made to the Department's fiscal year 1988 OMB request for fossil energy R&D coal programs:

Activity description	*Amount*
Control technology and coal preparation:	
Coal preparation	−$1,234,000
Gas stream cleanup	−1,495,000
Waste management	−267,000
Advanced research and technology development:	
Direct utilization	−1,885,000
Materials	−720,000
Components	−140,000
Technical and economic analyses	−30,000
Instrumentation, control, and diagnostics	−110,000
University coal research	−200,000
University/National Laboratory Cooperative Program	−24,000
Coal liquefaction:	
Advanced research	−2,010,000
Other liquefaction programs	−17,000
Combustion systems:	
AFB combustion	−1,725,000
PFB combustion	−974,000
Limestone injection multistage burners	+7,000,000
Fuel cells: Molten carbonate systems	−3,214,000
Heat engines: Gas turbines	−1,200,000
Underground coal gasification:	
Gasification technology development	−300,000
Environmental and advanced research	−1,200,000
Surface coal gasification:	
Advanced research	−328,000
Systems for power production	−389,000
Systems for industrial fuel gas production	−1,118,000

Activity description	Amount
Surface coal gasification—Continued	
Systems for synthesis gas production	−$677,000
Systems for coproducts production	−216,000
Net reductions	−12,473,000

CLEAN COAL TECHNOLOGY PROJECTS

Senator BYRD. In July of last year the Department selected nine clean coal technology projects for funding under the congressionally initiated funding program. We now have the first two comprehensive project reports. I believe that has to lie before Congress for 30 days. Are you prepared to sign the contracts for these two projects?

Secretary HERRINGTON. Yes.

Senator BYRD. When are the seven remaining project reports expected to be submitted to Congress?

Secretary HERRINGTON. We are anticipating the majority to be up here before the first of June, but we are in various stages of factfinding on each one.

Senator BYRD. You say the seven will be up before the first of June?

Secretary HERRINGTON. Yes, sir; that is what we anticipate.

Senator BYRD. One of the seven projects is the Weirton Steel direct iron ore reduction process. This process is in the negotiation stage, I guess.

Secretary HERRINGTON. Yes, sir.

Senator BYRD. Is there anything that you can elaborate on at this time in regard to this project?

Secretary HERRINGTON. We have not found any major impediments or had problems in the negotiations, as of today, on that particular project.

Senator BYRD. When do you expect to wrap up your negotiations?

Secretary HERRINGTON. The first of June on that particular one. Sooner if possible.

CLEAN COAL II

Senator BYRD. The administration is requesting $50 million next year and, by advance appropriation, $100 million for fiscal year 1989. You have touched on this. I want to thank you for your role in what I consider to be a significant initiative. There is a lot of support for this program.

Will the Department begin drafting the new solicitation this summer so that requests for proposals can be issued at the earliest possible date?

Secretary HERRINGTON. We have two dates we are working toward. We hope to have one report on the Hill by March 6 and one report on May 11, on our analysis. Our feeling is that, after those two reports come to Congress and we have comments, we will begin drafting.

Senator BYRD. Were you pleasantly surprised by the number of responses? I believe you said you had 139.

Secretary HERRINGTON. I was. We had 139. That's correct. Totaling $5.160 billion.

Senator BYRD. Do you believe that more than $50 million could be productively used in fiscal year 1988 in the next competitive solicitation?

Secretary HERRINGTON. Mr. Chairman, of course it could be used. If it was the only project or the only budgetary issue, we could use more. I am concerned about the deficit, as I know you are. I think it is a balancing situation where we have to trade off cost and benefit. I can't tell at this point. These are all valuable programs and they do good work in the coal area.

Senator BYRD. Would you state for the record or supply for the record how you would productively use more than $50 million in fiscal year 1988?

Secretary HERRINGTON. We will provide it for the record.

Senator BYRD. And indicate some judgment as to the effectiveness or value of such programs as we also deal with a very serious trade deficit, very serious shortage of oil, an increasingly great shortage, as we go along. I don't know of anything that is more important to our national security or more important to our Federal deficit problem. Would you elaborate on this a bit for the record?

Secretary HERRINGTON. I will give my best efforts at it.

[The information follows:]

CLEAN COAL TECHNOLOGY FUNDING

The Department had requested $150 million in the fiscal year 1988 budget to support the Clean Coal Technology Program focused on the development of processes or concepts suited for repowering, retrofitting, or modernizing faciliites. It had asked that these funds be made available in the amounts of $50 million in fiscal year 1988 and $100 million in fiscal year 1989 to support the second solicitation.

The President will seek $2.5 billion over the next 5 years to demonstrate innovative pollution control technologies. The initiative was one of several steps taken by the administration to ensure a continued close working relationship with the Canadian Government in resolving the issue of acid rain.

To implement this Innovative Control Technology [ICT] Program we anticipate requesting $350 million in fiscal year 1988, with advanced appropriations of $500 million each year for fiscal years 1989 through 1992 to fund innovative emissions control projects. (It should be noted that $149.1 million has already been scheduled to be appropriated in fiscal year 1988 as the third and final year of appropriations for the original Clean Coal Technology Program.) This program envisions additional solicitations, with the first new solicitation funded with fiscal year 1988 and fiscal year 1989 funding ($850 million). The criteria for future project selections would be patterned, as fully as practicable, to guidelines recommended last year by United States and Canadian special envoys on acid rain. Also, the demonstration projects will be conducted in accordance with the already established cost-sharing guidelines of the Clean Coal Technology Program.

This effort is a logical extension of the first Clean Coal Technology Program. The combined results will make available improved innovative control technologies that can be an important contribution toward increasing the competitiveness of the United States in world markets, reducing the trade deficit, and increasing national security. As international coal trade expands, opportunities for increased sales of U.S. coal and coal technology abroad will be available. New control technologies can increase the competitivenss of U.S. exporters in these markets. On the domestic scene, new technologies will open up new markets for coal (markets which are currently limited to petroleum fuels), thereby reducing petroleum imports. More efficient control technologies will provide us with ways to continue to expand coal use in an environmentally acceptable manner in current coal markets.

In summary, the Innovative Control Technology Program has substantial value as one important component of national strategy for increased energy security and environmental quality.

STEEL INITIATIVE

Senator BYRD. I understand that you are close to signing a cost-shared joint venture with several steel companies to develop advanced technologies which could give domestic steel producers a leg up on their foreign competitors. What is the status of that steel initiative agreement?

Secretary HERRINGTON. If I could ask Donna Fitzpatrick to respond to that question, Mr. Chairman, I would appreciate it.

Senator BYRD. Very well.

Miss FITZPATRICK. Mr. Chairman, we do have a proposed work plan out for comment on the steel initiative. We are working closely with the industry and the interested congressional committees to develop a research plan and prepare to receive proposals on the steel initiative, which is funded at about $8.5 million to $9 million.

Senator BYRD. Are you pressing this aggressively?

Miss FITZPATRICK. Yes, sir; we are.

TECHNOLOGY TRANSFER

Senator BYRD. I am told that some of the steel companies are concerned that the existing laws require the Department to disseminate widely any research findings which it cofunds. The concern is that not only would the domestic steel companies that did not participate in the joint venture receive the benefits of the research, but even worse, the foreign competition could gain access to the newly developed technological information because of these laws.

How would you propose to deal with this matter? I suppose it is a problem you have had to contend with before. What would you think of organizing a task force composed of representatives from the various technology programs within your Department to consider that issue?

Secretary HERRINGTON. Mr. Chairman, I think a task force would be excellent. I think you put your finger on it. This has been going on for quite a while, through the Freedom of Information Act, at HHS under drug formulas—all kinds of technology and intellectual property. We would be interested in looking at this problem on an ongoing basis.

Senator BYRD. Would you supply the subcommittee with a preliminary report on the nature of the problem, on the extent of it, the benefits of the existing laws that govern technology transfer, as well as the negative aspects of those laws, along with suggested potential remedies, legislative and administrative?

Secretary HERRINGTON. I think that is a good idea. I would like to work on an interagency basis with the U.S. trade representative and the Department of Commerce. I do not know that this can best be done through the Energy Department. I would like to work on that effort with the subcommittee and be responsive to the chairman.

Senator BYRD. If you will, please. Can we help you in any way in getting the support of the other agencies?

Secretary HERRINGTON. No, sir; I think the issue is on everybody's mind these days. I certainly know it is on the President's mind, and I know it is on yours.

STRATEGIC PETROLEUM RESERVE

Senator BYRD. We briefly touched on SPR a moment ago. I understand that you requested sufficient funds to continue filling the reserve at the rate of 75,000 barrels a day. You indicated that that decision was reversed because of budgetary reasons by the Office of Management and Budget. You must have had good reasons which led you to your original recommendation. Are those good reasons any less serious now?

Secretary HERRINGTON. Mr. Chairman, as I said before, I think it makes very good energy policy to have a maximum rate of fill for SPR. On the other hand, as a Cabinet officer of this administration I am very sympathetic to the administration's efforts to meet the Gramm-Rudman target of $108 billion. I think that is the proper function of OMB, and I am very supportive of the budget we have proposed to the Hill. I do not want to give the indication that on an overall basis I am not supportive of our request. On an energy basis we ought to have a better fill rate. On a budgetary basis, our proposal is reasonable.

Senator BYRD. And on a national security basis?

Secretary HERRINGTON. That would be the energy basis.

Senator BYRD. Would you provide for the committee record the funding requirement to sustain a fill rate of 75,000 barrels per day through fiscal year 1988 with 90 days advanced purchases, assuming today's prices plus 10 percent when calculating the figure?

Would you also provide for the committee record the fiscal year 1988 and fiscal year 1989 budget authority requirements to achieve the maximum sustainable fill rate with a maximum practical construction program?

Secretary HERRINGTON. Yes, sir.

[The information follows:]

STRATEGIC PETROLEUM RESERVE FY 1988
FUNDING FOR 75,000 BARRELS PER DAY OIL FILL

The Omnibus Budget Reconcilation Act of 1986 (Public Law 99-509) requires that the Strategic Petroleum Reserve be filled at a minimum rate of 75,000 barrels per day until at least 750 million barrels are in storage. The FY 1988 President's budget request proposes to achieve this fill rate in FY 1987, but also proposes that the rate be reduced to 35,000 barrels per day in FY 1988.

The table below provides the funding requirements in FY 1987 and FY 1988 for a 75,000 barrel per day fill program, including implementation of three-months advance orders policy. For purposes of this analysis the assumption for FY 1987 is that the current price for oil delivered to the Reserve, which is approximately $18.00 per barrel, will remain unchanged for the balance of the fiscal year. For FY 1988, it is assumed that this price will increase by 10% to $19.80 and that a further increase of 10%, to $20.00 (rounded), will apply to advance orders for FY 1989 fill.

	(Dollars in Thousands) FY 1987	FY 1988
Obligations	$ 573,450	$ 543,394
Use of Prior Year Balances	(525,588)	---
Budget Authority	$ 47,862 1/	$ 543,394
Outlays	$ 459,782	536,633
Annual Fill (MMB)	27.4	27.4
Cumulative Fill (MMB)	533.8	561.2

1/ Required for full implementation of advance orders policy; otherwise is additional requirement in FY 1988.

STRATEGIC PETROLEUM RESERVE FUNDING FOR MAXIMUM CONSTRUCTION PROGRAM AND OIL FILL

Funding for construction of the surface facilities required for a 750 million-barrel (MMB) Strategic Petroleum Reserve (SPR) is complete and all such construction will be completed in FY 1988. Thus, beginning in FY 1988, the focus of a maximum practical construction program would be on creating new storage capacity and on providing the facilities necessary to achieve a capability for distributing SPR oil at a rate equal to the planned SPR drawdown rate of 4.5 million barrels per day. Additionally, in the FY 1991-1992 time period, the program would extend to providing capacity at Bayou Choctaw and Big Hill to permit the transfer to those sites of 26 MMB of oil currently stored at Sulphur Mines. The latter site is uneconomical to maintain and operate and would be decommissioned after the transfer.

At the end of FY 1987, the total storage capacity of the SPR will be 581 MMB, leaving 195 million barrels yet to be developed, including the 26 MMB needed for restorage of the Sulphur Mines inventory. This undeveloped capacity consists of 19 MMB at West Hackberry, 16 MMB at Bayou Choctaw and 160 MMB at Big Hill. With continued solutionmining after FY 1987, West Hackberry could be completed and filled by the end of FY 1988 and Bayou Choctaw in FY 1992. At Big Hill, storage capacity development could be commenced in early FY 1988, in which case oil fill at that site could begin in FY 1989 and be completed in FY 1992.

Table 1 describes the FY 1987 through FY 1992 fill rates, annual fill and cumulative fill assumptions for the FY 1988 President's Budget and for a maximum construction and oil fill program. The table also provides annual oil price assumptions for the President's Budget and an alternative price path which projects increases of ten percent per year in the current price of approximately $18.00 for oil delivered to the SPR. These alternative prices are rounded to the nearest 10 cents per barrel.

Using Table 1 assumptions, Table 2 describes annual funding requirements from FY 1987 through FY 1992, as follows:

- FY 1988 President's Budget
- Changes for Alternative Prices
- Alternative President's Budget
- Changes for Maximum Construction/Oil Fill
- Maximum Construction/Oil Fill Budget

March 10, 1987

TABLE 1

STRATEGIC PETROLEUM RESERVE

Assumptions for FY 1988 Budget Alternatives

	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
FY 1988 President's Budget						
Oil Fill Rate (MBD)	75	35	35	35	35	35
Annual Fill (MMB)	27.4	12.8	12.8	12.8	12.8	12.8
Cumulative Fill (MMB)	533.8	546.6	559.4	572.2	585.0	597.8
Maximum Construction/Oil Fill						
Oil Fill Rate (MBD)	75	181	77	69	225	41
Annual Fill (MMB)	27.4	66.2	28.0	25.0	82.0	15.0
Cumulative Fill (MMB)	533.8	600.0	628.0	653.0	735.0	750.0
Average Oil Prices ($/BBL)						
President's Budget	$15.16	$16.96	$18.53	$19.78	$21.10	$22.52
Alternative	$17.44 1/	$19.60	$21.80	$24.00	$26.40	$29.00

1/ Assumes $18.00 average for deliveries after 2-28-87.

TABLE 2

STRATEGIC PETROLEUM RESERVE

Funding Requirements for FY 1988 Budget Alternatives
(Dollars in Millions)

	FY 1987		FY 1988		FY 1989		FY 1990		FY 1991		FY 1992		FY 1987/1992	
	BA	BO	BA	BO	BA	BO	BA	BO	BA	BO	BA	BO	BA	BO
FY 1988 President's Budget														
Facilities & Management	147.4	325.0	142.4	209.1	156.2	173.4	160.8	165.7	173.9	172.2	167.3	178.3	948.0	1,223.7
Oil Acquisition	---	402.1	127.7	233.1	238.0	235.1	254.1	251.4	271.0	268.1	288.3	268.2	1,179.1	1,676.0
Total	147.4	727.1	270.1	442.2	394.2	408.5	414.9	417.1	444.9	440.3	455.6	464.5	2,127.1	2,899.7
Changes for Alternative Prices														
Facilities & Management	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Oil Acquisition	---	+ 57.7	+107.4	+ 38.5	+ 47.5	+ 41.3	+ 60.2	+ 52.9	+ 74.5	+ 66.6	+ 91.5	+ 81.5	+ 381.1	338.5
Alternative President's Budget														
Facilities & Management	147.4	325.0	142.4	209.1	156.2	173.4	160.8	165.7	173.9	172.2	167.3	178.3	948.0	1,223.7
Oil Acquisition	---	459.8	235.1	271.6	285.5	276.4	314.3	304.3	345.5	334.7	379.8	367.7	1,560.2	2,014.5
Total	147.4	784.8	377.5	480.7	441.7	449.8	475.1	470.0	519.4	506.9	547.1	546.0	2,508.2	3,238.2
Changes for Maximum Construction/Oil Fill														
Facilities & Management	---	---	+ 21.8	+ 17.4	+ 29.4	+ 17.5	+ 61.7	+ 21.1	+ 16.9	+ 39.9	+ 4.9	+ 36.8	+ 134.7	+ 132.7
Oil Acquisition	240.2 1/	---	+901.1	+970.4	+322.0	+392.1	+676.9	+296.5	+1,386.9	+1,699.7	- 53.5	+211.5	+3,473.6	+3,570.2
Maximum Construction/Oil Fill Budget														
Facilities & Management	147.4	325.0	164.2	226.5	185.6	190.9	222.5	186.8	190.8	212.1	172.2	215.1	1,082.7	1,356.4
Oil Acquisition	240.2	459.8	1,136.2	1,242.0	607.5	668.5	991.2	600.8	1,732.4	2,034.4	326.3	579.2	5,033.8	5,584.7
Total	387.6	784.8	1,300.4	1,468.5	793.1	859.4	1,213.7	787.6	1,923.2	2,246.5	498.5	794.3	6,116.5	6,941.1

1/ Additional FY 1987 requirement for full implementation of 3-months advance orders policy.

Senator BYRD. Let me now turn to other members in the order that they arrived.

Senator Burdick.

Senator BURDICK. Thank you, Mr. Chairman.

Welcome, Mr. Secretary.

The President's 1988 budget proposes to cut research and development funds for renewable energy, fossil energy, and energy conservation by $269 million. The administration also proposes to reduce the fill rate of the strategic petroleum reserve by 40,000 barrels per day, as you and the chairman were just discussing.

One conclusion I draw from these proposals is that this administration has a very optimistic outlook so far as world energy supplies are concerned. However, at the same time, in the name of national security and energy independence Congress is being asked to open up the Arctic National Wildlife Refuge to oil development. At this point I must say that I do not yet have a definite position on the Arctic refuge.

Don't these two actions, drastically cutting research and development funds and asking to drill in the Arctic refuge, contradict one another? And do these budget cuts coupled with a request to open up the Arctic National Wildlife Refuge form a consistent national energy policy?

Secretary HERRINGTON. Senator, my answer to your first question is no. Let me explain. I think you will hear from Secretary Hodel following me that he and I are in lock step along with a number of others, in believing that we can't afford on an energy basis to lock in or shut in an asset as big as the North Slope of Alaska. I think we have proven beyond any doubt that environmentally sensitive development, as at Prudhoe Bay, can coexist with the wildlife in that area. With care and caution, these are compatible uses of that particular area.

The country in the long run may move on to other energy sources, but at this point we certainly need oil and gas resources in this country. We cannot afford not to find new discoveries. For that reason, we have been asking that Congress consider in depth the possibility of looking for oil in that area. The potential there, the Interior Department has said, is very large. Also, for offshore California, the potential is very large. These are probably the two big areas remaining.

I think we can do more on research and to encourage research on enhanced recovery. I think more money in this particular area, if we had the money, would be desirable. Enhanced oil recovery can be extremely productive, especially in our older fields in this country.

I think this is a tradeoff between the deficit reduction we are trying to accomplish and some of the programs we are trying to provide on an ongoing basis. It is a lean program, but I think it is a meaningful program, and I would submit it on that basis.

Senator BURDICK. In other words, you don't see any inconsistency with your position and the reduction of the oil fill rate?

Secretary HERRINGTON. I do not, sir. I think both the research budgets and the oil fill rate are budget driven. In the administration's judgment,

the budget arguments have outweighed the benefits of those particular programs. I think the Arctic question is another issue entirely.

GREAT PLAINS COAL GASIFICATION PLANT

Senator BURDICK. As you know, Secretary Herrington, the Department of Energy now owns the Great Plains coal gasification project in North Dakota. As I understand it, DOE has now chosen an investment banker to help finance the sale of the plant. What is the status of this and what are your future plans for the Great Plains project should DOE not be able to find a buyer for the plant?

Additionally, has DOE been contacted by prospective buyers? What do you expect the selling price to be, approximately?

Secretary HERRINGTON. It is very hard to estimate the selling price. I think that is one of the most difficult problems. The selection process for the investment banker is underway. We have a number of proposals in. We will make a selection very shortly.

I fully anticipate being able to sell the plant. The Government's investment to date is about $1.5 billion. It would be nice to see the Government get its money back from that loan guarantee.

Senator BURDICK. Is there any chance of getting a buyer to pick up that $1.5 billion?

Secretary HERRINGTON. I believe there is. There are purchase contracts for the product that comes out of the plant with some very responsible companies. So there is a ready-made market. As you know, the problem with Great Plains is that it is pumping gas out at $10 an MCF into a market where gas is $1.80 an MCF, and that is a difficult situation.

Senator BURDICK. I have been told by the local interests out there in North Dakota that in recent days we've been making a little money; is that correct?

Secretary HERRINGTON. That is correct, sir.

Senator BURDICK. Well, maybe it is a good investment.

Secretary HERRINGTON. Right now it is a good investment. I am of the opinion that the Government does not do a good job in commercial activity. I do not think that is our role. I think the private sector can do it better. But, you are quite correct. The plant is doing very well.

Senator BURDICK. That is not the point. The point is, can we get some of this money back and also keep production? That is the question.

Secretary HERRINGTON. I think keeping production is very important, and we plan on doing that.

Senator BURDICK. Thank you very much.

Secretary HERRINGTON. Thank you, sir.

Senator BYRD. Mr. Nickles.

Senator NICKLES. Thank you, Mr. Chairman. I look forward to working with you on this committee.

Welcome, Mr. Secretary.

We have wrestled with you at various times before the Energy Committee on the problem of Great Plains. What are you selling that gas for right now?

Secretary HERRINGTON. Mr. Bauer informs me that under the contracts, it is tied to the price of No. 2 fuel oil and that is a floating price. Currently, it is $3.63.

Senator NICKLES. What is the cost of producing that gas?

Mr. BAUER. The last price that we sold the gas was $3.63. Several months ago we were getting about $2.46. The breakeven price is about $3.25 an MCF.

Senator NICKLES. How much is your cost of production of the gas per MCF?

Mr. BAUER. It is $3.25.

Secretary HERRINGTON. That is without plant amortization or return on investment. We have the plant title following foreclosure sale, so we don't have to figure any of these hard costs into it.

Senator NICKLES. If you were to amortize the cost of that plant over a production life of 20 years, what kind of cost per MCF would you be looking at?

Secretary HERRINGTON. It gets in the $10 range.

Senator NICKLES. I would have a hard time seeing how you could say that plant is making money. I guess if you took all your capital costs and assumed they were zero, you might be able to make that assumption. We have gas in our State that doesn't sell for $1.30, or you can't find a market for it at $1.30. You mentioned $1.80. We have got people who would love to have $1.80 for their gas and they can't get it. In many cases they can't sell gas for $1.30. I just make those additional comments.

Secretary HERRINGTON. Senator Nickles, I think what Senator Burdick was referring to is that, on strictly an expense-versus-revenue basis in the short-term income stream, it is showing a positive cash flow under operation today. That, of course, is a good way to look at it if you are operating on a short-term basis. If we start getting into amortization and other factors, you are quite right.

Senator NICKLES. Just to throw in that side argument, if you are looking for somebody to buy it, they are going to have to amortize that cost and they are not going to be wanting to throw out $1.6 billion for plant and equipment if they are not going to be able to amortize it.

STRATEGIC PETROLEUM RESERVE FILL RATE

To follow up on Senator Byrd's comment concerning SPR, your budget request would be for 35,000 barrels per day. Correct me if I am wrong, but if we were to fill up to the 750 million barrels that would take an additional 18 years, if my penciling is correct.

Secretary HERRINGTON. At 35,000?

Senator NICKLES. Yes.

Secretary HERRINGTON. I think that is probably right. To reach the 750 million barrel goal by 1995 or 1996 we are going to have to increase the fill rate.

Senator NICKLES. I find it absurd when we have such low oil prices as we have today and we had last year. How much SPR oil did we buy last year? We were importing oil at one time at less than $10.

Secretary HERRINGTON. I think $9.25 was our lowest price, and we were filling at the rate of 50,000 to 75,000 barrels per day most of the year. In an effort to do what we could for the domestic industry we solicited for domestic purchases of oil for SPR, which I think would have been a good thing. You would be interested to know that we only received an acceptable offer of 10,000 barrels a day in response; the rest is being purchased from Mexico.

Senator NICKLES. I have heard a lot of people make the comment that we will fill from domestic and that will help domestic industry, but you are talking about a minuscule amount. There is no way in the world that that would have any appreciable effect on prices. It sounds good. Our people in Oklahoma would love to say, hey, we are going to buy that from Oklahomans instead of Mexico, but in the total picture, whether you buy 10,000 or 20,000 or 30,000 barrels a day when you are consuming something in the neighborhood of 16 million you are not having any appreciable effect whatsoever.

Let me make several side comments. If our goal is to go up to 750 million barrels, which I think makes sense, I think we should do that in a period of 5 years, not 18 years. To do that you would have to go at a rate close to about 140,000 barrels per day. Senator Burdick asked you this question. What is the maximum rate that you could be filling SPR today?

Secretary HERRINGTON. One hundred thousand barrels a day.

Senator NICKLES. You could not exceed 100,000?

Secretary HERRINGTON. No; we are physically constrained.

Senator NICKLES. At 75,000 barrels a day you are going to fill 27 million barrels per year. That would take you about 9 years to fill, and you would meet the target which you had mentioned earlier, which would be what? in the mid-1990's?

Secretary HERRINGTON. Yes.

Senator NICKLES. You would be close, but you wouldn't quite meet it.

Secretary HERRINGTON. 1995.

Senator NICKLES. If you are at 75,000 barrels per day you would be very close to meeting the target?

Secretary HERRINGTON. We would be very close.

USER'S FEE TO FINANCE STRATEGIC PETROLEUM RESERVE

Senator NICKLES. I would encourage you to do that.

You mentioned your responsibilities as a Cabinet member and sharing concern for the deficit. I share that concern. I have questioned whether we can afford SPR. I would think it would make sense—and would hope the chairman and others would think about this proposal—to figure out a users fee to pay for it. I have calculated that you could pay for filling SPR by having a fee on imported oil. If you are going to fill SPRO over 9 years, you could do it for a fee of about 30 cents per barrel on imported oil.

This administration has 22 billion dollars' worth of users fees or sale of assets. It seems to me that when we are importing over 2 billion barrels per year to have a small fee on imports to pay for security reserve in case those imports are shut off would make sense. Would you agree with that?

Secretary HERRINGTON. I think the President has been clear on the import fee. Our national security study, which will be out in early March, spends a lot of time addressing the import fee, what it will cost the economy in the way of interest rates, trade balance, and inflation versus what we get out of it in new production. I will not preempt that report.

Last year when you financed the Superfund out of a 3½ cents—the differential between 11 and 8½—in the Superfund legislation—import fee, our allies and our trade relations almost came apart. It was an amazing response to what was a 3½-cent fee. We had letters from many of our trading partners. It made some of our trade negotiations much more difficult and there are GATT actions that have been filed.

This is not a simple problem, obviously. I think it is multifaceted. Your suggestion is worth a look.

Senator NICKLES. Mr. Secretary, let me encourage you to do that. I know the study that Mr. Martin is working on and I look forward to seeing it. But I would encourage you, the Department, and the administration to look at an idea. You can call it an import fee if you want; you can call it a users fee; but you have users fees throughout the budget. Look at what you are trying to do. You are trying to finance the filling of the strategic petroleum reserve without taking an 18-year period of time. That is stringing it out forever. You need to do it in a much more rapid order, and I think it would make sense to pay for that with a tax on those goods that we are trying to protect should we be cut off from. I would encourage you to look at it.

PETROLEUM RESEARCH AND DEVELOPMENT

Let me move quickly to a final subject and follow up on what Senator Byrd was discussing with you concerning the fossil energy R&D budget. Senator Byrd mentioned the reduction in coal. Likewise, I see the reduction in petroleum is 50 percent. It went from about $26 million to $12 million.

There seems to be a disproportionate reduction in the petroleum area. The shortage that we have is not in other fossil fuels; it is in liquid fuels. The rising increase of imports that your study is going to show 1 year ago went from 27 percent to about 38 or 39 percent today and will probably be exceeding 50 percent in the next 4 or 5 years. That is in liquid fuels, in oil. You are looking at cutting that budget one-half. I question the wisdom of that.

Also, I would make a general editorial comment. It would seem that a disproportionate amount of the research is loaded away from petroleum. Petroleum, in my opinion, should be receiving a greater portion of those funds. That is where the shortage is; that is where we are hav-

ing a mass exodus right now of R&D, science personnel, research personnel; they are leaving the private sector and finding other areas.

Coal would be receiving more than eight times as much money. That is not counting clean coal technology. If you add that on, it is many, many times; not 10 times, but almost 30 times oil R&D. How much money is requested for clean coal technology? That is a $750 million program over how many years?

Secretary HERRINGTON. It depends. If we go into clean coal III, it could be a little more. I think our timeframe on the whole thing is 1986 to 1992.

Senator NICKLES. Would you agree with my assessment, just kind of comparing our assets and the challenges that we have concerning energy security, that the problems are in liquid fuels and that possibly a greater portion of those research funds should be directed in an effort toward those possible shortages?

Secretary HERRINGTON. I think that is not the whole story. I think you are quite correct in what you say. Of course more money could be beneficial, but you have got to look at it in terms of the budget. One of the things we could do—you have been a leader in it—and which would cost almost nothing is natural gas decontrol, full and comprehensive, and access to pipelines. We could get 30 trillion cubic feet of natural gas into the market through decontrol. That would help the industry. There would be more fuel available. We can do things like that: repeal the Fuel Use Act, incremental pricing, and the windfall profits tax. There is a lot we can do that doesn't cost big dollars and which, I think, makes the industry more viable. I would agree with you that that is an area on which we need to concentrate.

Senator NICKLES. I would second those comments. Are those items going to be suggested or mentioned as possible positive alternatives in your report coming out next month?

Secretary HERRINGTON. Yes; and we are strongly supportive of action in those particular areas and will continue to be.

Senator NICKLES. Mr. Secretary, thank you.

Mr. Chairman, than you.

FOSSIL VERSUS NUCLEAR RESEARCH

Senator BYRD. Mr. Secretary, and perhaps I should say my friend, Senator Nickles, the fight is not between coal and oil and gas research; the problem as I see it is between research in fossil fuels and nuclear. It seems to me we have been going headlong into research in nuclear energy and failing to see the importance of moving ahead with fossil fuels research. There is a strong inconsistency in the President's budget request in that regard. There has been all along.

Also, on the one hand we hear that the imports of oil are going to be up, that gasoline lines are going to be back, and at the same time we see sharp reductions in the funding for coal research. Coal makes up about 20 percent of our energy consumption now, but it is our greatest domestic energy resource. If we can develop it, it is our most abundant

fossil fuel. If we can also proceed with the clean coal technology we can burn coal in an environmentally acceptable manner. I think this is important to the Nation, important to West Virginia, and to other coal producing States. I do not think the budget reflects that importance.

As in the past, the Congress will look carefully at the revisions in your energy budget request and especially with respect to your request for coal research.

Would you supply for the record data and tables that would indicate the amounts of reserves there are in domestic energy fuels by sources, coal, oil, gas, et cetera?

Secretary HERRINGTON. We will do our best, sir, yes.

[The information follows:]

DOMESTIC RESERVES

Domestic energy reserve estimates are provided in the table below.

PROVED RESERVES AS OF DECEMBER 31, 1985

Fuel	Unit of measure	Reserves
Crude oil	Million barrels	28,416
Natural gas, dry	Billion cubic feet	193,369
Natural gas liquids	Million barrels	7,944
Coal, total	Million short tons	478,170
Underground		323,051
Surface		155,119
Uranium	Million pounds U_3O_8	[1]404

[1]United States known reasonably assured resources of uranium at $30 or less per pound U_3O_8. Additional resources could be available at higher costs of extraction.

ADDITIONAL COMMITTEE QUESTIONS

Senator BYRD. Let me call upon Senator Stevens to see if he has any questions at this point.

Senator Stevens. Thank you very much.

I would echo what the chairman has said about coal. Being a little provincial, Mr. Secretary, since we have one-half the coal of the United States I am very happy to see my friend recognize the importance of coal.

I am sorry to be a little late. I will read your statement.

Secretary HERRINGTON. Thank you, sir.

Senator BYRD. If there is nothing else, thank you, Mr. Secretary. We will be giving you some additional questions in writing.

Secretary HERRINGTON. Thank you, Mr. Chairman.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Questions Submitted by Senator James A. McClure

Clean Coal Technology

Question: In the fiscal year 1987 Continuing Resolution, Congress requested DOE to issue an informational solicitation for retrofit Clean Coal projects. A summary report of these statements of interest was requested by March 6, 1987, and a detailed report 120 days after the statements are submitted.

I must assume that since you have requested an additional 50 million dollars in FY 1988 for a second competitive solicitation, that industry interest is high. Is that accurate?

Answer: The Department originally included $50 million in the FY 1988 budget request for CCT-2. This request was based on the assumption that there would be significant industry interest similar to that experienced on CCT-1.

On January 12, 1987, 139 responses totaling $5 billion were received in response to the informational solicitation on CCT-2, and the summary report was sent to Congress on March 6, 1987. The report clearly substantiates that the industry interest in the program is significant.

Largely because of the results of the Statement of Interest process and its clear evidence of substantial industry interest and probable financial commitment, the Department believes there is adequate justification to move forward with an expanded innovative clean coal technology program. On March 18, the President announced his intent to seek the full amount of federal funding recommended by the Special Envoys on Acid Rain -- $2.5 billion over 5 years -- including $350 million in FY 1988 that will be added to the nearly $150 million already scheduled for appropriations in FY 1988 for the first round of Clean Coal Technology projects.

Question: How will these retrofit projects in the second solicitation differ from the retrofit projects selected in the first solicitation?

Answer: To ensure that the broadest range of technologies is demonstrated under the CCT programs, it appears reasonable that projects that duplicate any of the nine selected projects that are presently undergoing negotiations for award of cooperative agreements will not be considered for award under the second round of solicitations. This policy is consistent with the guidance received from Congress in the "Joint Explanatory Statement of the Committee of Conference for the FY 1987 Continuing Appropriations" which stated that "...It is not the managers' intent to consider projects which duplicate previous demonstrations." It is important to recognize that significant variations of individual technologies exist, and we do not want to preclude consideration of alternative approaches, new generations or improved versions of a general category of technology. In addition, the responses to the informational solicitation indicate substantial industry interest in projects that would be different from the retrofit projects in CCT-1.

Question: The Lewis-Davis Acid Rain report committed the U.S. to a 5 billion dollar acid rain research program over the next ten years. Including the mandated cost sharing involved with the Clean Coal Program, the U.S. will have spent at least 1.5 billion by the end of FY 1992. While this is a considerable sum, it leaves us about 3.5 billion dollars short of our commitment. Do you know how the Administration will meet the remaining part of this commitment?

Answer: The U.S. is firmly committed to developing an acid rain program and has made extraordinary progress in the development of a

slate of technologies both in federally sponsored efforts and in the efforts financed by the private sector and by State governments.

To that end, the Department will request additional funding in the period of FY 1988-FY 1992 to support development of advanced technology suitable for control of pollutants that contribute to acid rain.

The President will seek $2.5 billion over the next five years to demonstrate innovative pollution control technologies. The initiative was one of several steps taken by the Administration to ensure a continued close working relationship with the Canadian government in resolving the issue of acid rain.

Question: Do you foresee any other major DOE work in this area beyond the Clean Coal Program?

Answer: Clearly, acid rain is an issue of increasing concern throughout much of the country. It is an issue that stretches across state as well as international boundries and, as such, the Government has a recognized role in finding answers and increasing the menu of possible solutions. These are responsibilities which the Administration has accepted and is reflected in our budget request.

There are a number of DOE activities related to acid rain that are contained in the Department's FY 1988 budget request for the National Acid Precipitation Assessment Program (NAPAP). These activities include biological and environmental research conducted by the Office of Energy Research, environmental analysis research conducted by both the Office of Energy Research and the Office of Environment, Safety, and Health; and, planning and policies efforts conducted by the Office of Fossil Energy. The Fossil Energy request also includes non-NAPAP acid rain activities that cross-cut many of Fossil Energy's coal programs and totals $77.7 million requested for FY 1988. The following chart provides a summary of the Department's acid rain activities planned for FY 1988 as well as current year and prior year funding data.

SUMMARY
FY 1988 CONGRESSIONAL BUDGET
ACID RAIN CROSSCUT - TABLE
(Dollars in Thousands)

	FY 1985	FY 1986	FY 1987 Appropriation	FY 1988 Congressional Budget
ER (Biological and Environmental Research)	$ 6,585	$ 5,979	$ 6,203	$ 5,962
ER (Energy Research Analysis)	600	577	550	1,150
FE (Planning and Policy)	750	700	750	750
ES&H (Office of Environmental Analysis)	1,000	900	600	900
Subtotal, National Acid Precipitation Assessment Program (NAPAP)	8,935	8,156	8,103	8,762
Non NAPAP Acid Rain Activities				
Control Technology & Coal Prep.	34,671	31,950	37,826	33,000
Combustion Systems	15,097	14,113	15,142	21,600
Advanced Research & Tech. Dev.	9,990	11,262	10,645	9,000
Heat Engines	11,850	12,314	12,146	8,300
MHD	30,721	27,717	26,500	0
Surface Coal Gasficiation	24,270	26,987	24,655	5,800
Non NAPAP	126,594	124,343	126,914	77,700
Total, Direct Acid Rain	$135,529	$132,289	$135,017	$ 86,462

Funds Available For Strategic Petroleum
Reserve FY 1987 Oil Fill

Question: In fiscal year 1987 Congress mandated that the minimum fill rate for the Strategic Petroleum Reserve would be 75,000 barrels a day. Based on oil prices at the time, it was assumed that available balances in the petroleum account would more than meet this requirement. You and I both know, however, that oil prices are not stagnant and change often.

Do you feel these carryover balances will be adequate to meet the 75,000 barrel minimum in FY87?

Answer: A total of $565 million was available at the end of FY 1986 to finance future oil acquisition and related activities.

At 75,000 barrels per day, the required fill in FY 1987 is 27.4 million barrels, of which 10.3 million barrels were delivered during the first five months of the fiscal year at a total cost of approximately $170.4 million. This leaves $394.6 million to fund the remaining 17.1 million barrels of FY 1987 fill and advance orders for FY 1988 to permit continuous operation. The available funds appear sufficient to permit completion of FY 1987 fill at current costs of approximately $18 per barrel.

FY 1988 Funding for Strategic Petroleum
Reserve Oil Acquisition

Question: In FY88, you have requested to reduce this 75,000 minimum to 35,000 barrels a day and have requested an additional $127 million for this purpose.

Of course, the price assumptions for this budget were made several months ago and nobody can predict the future. I would be interested to know if you still feel this request will be adequate to meet your 35,000 barrel a day minimum?

Answer: The FY 1988 budget request assumes that the average cost of oil acquired for the Strategic Petroleum Reserve will be $15.14 per barrel in FY 1987, $16.96 per barrel in FY 1988 and $18.53 per barrel in FY 1989. It is also assumed that FY 1987 and FY 1988 funding is sufficient to implement a three-months advance orders policy and that $93.1 million of currently available oil acquisition funds will be carried over to FY 1988 as an offset against total FY 1988 funding requirements.

In compliance with current law, 27.4 million barrels of crude oil will be added to the Reserve in FY 1987. A total of 10.3 million barrels were delivered during the first five months of the fiscal year at an average cost of $16.51 per barrel and a total cost of approximately $170.4 million. This total exceeds the budget estimate for 10.3 million barrels by over $14 million. The effect of this "overrun" is a dollar-for-dollar reduction in FY 1987 funds available for carryover to FY 1988. We currently are paying about $18 per barrel for oil; therefore, unless prices decline, the $127.7 million of new budget authority requested in 1988 will be significantly less than the amount required to achieve a 35,000 barrel per day fill rate.

Naval Petroleum Reserves Divestiture Study

Question: What is the status of the study on the sale of Naval Petroleum Reserves 1 and 3 authorized in the FY 87 Continuing Resolution?

Answer: The Continuing Resolution requires a report to the Congress by June 30, 1987 on the studies performed on divestiture of Naval Petroleum Reserves No. 1 and 3. The Department has contracted with the investment banking firm, Shearson Lehman Brothers, to undertake a ten-week study which includes an analysis of methods for selling the Reserves. The contract requires a report on this study in May 1987. The Department plans to submit its report to the Congress by the June 30, 1987 due date.

International Strategic Oil Stocks

Question: Recent press reports have indicated that you are urging our western allies to build up their own strategic oil stocks. How are our allies responding to this advice?

Answer: Over the past year, the United States has pressed its allies for a broad political commitment to increase strategic stocks, to maintain or exceed existing levels of protection if imports rise, and to participate in an early coordinated stockdraw in the event of an oil disruption. Our efforts in the IEA have been supported by bilateral and multilateral discussions (e.g., U.K., FRG, France, Italy, Belgium, Japan, Norway, Denmark, Sweden, The Netherlands, and the European Commission). The U.S. has also sought assurances from the few IEA countries now below the 90 days of net imports coverage required by the IEP Agreement to build stocks to comply with their commitment.

Our efforts have yielded some positive results. For example, Germany is increasing its government-controlled stockpile by 10 million metric tons; the Netherlands recently passed legislation to create a government-owned stockpile and raise stocks to 20% over the IEP requirement, and Japan has accelerated purchase of oil for its strategic reserve from 50,000 to 60,000 barrels a day. France, which is not a member of the IEA, is considering creation of a 45-day, government-controlled stockpile.

While a number of our allies have adopted, at least in part, our views on the importance of stocks in an oil supply disruption, not all have been willing to make a commitment to increase strategic stocks. We continue to seek a political commitment to increase the quantity and quality of strategic oil stocks, and plan to make this a key element of the 1987 IEA Ministerial Meeting.

Oil Overcharge Funds

Question: What are the anticipated future recoveries stemming from the remaining oil overcharge cases?

Answer: The Economic Regulatory Administration (ERA) anticipates recovering approximately $2.5 billion in addition to the $5.7 billion that it has already recovered through FY 1986.

Question: Can you give me any idea when these recoveries might be made?

Answer: ERA expects to recover the $2.5 billion by the end of FY 1989; however, the collection of these funds are subject to litigation risks and settlements. Therefore, no precise estimate of the amount of annual collections can be made at this time.

CONGRESSIONAL WITNESSES

STATEMENT OF HON. ANTHONY C. BEILENSON, U.S. REPRESENTATIVE FROM CALIFORNIA

PREPARED STATEMENT

Senator BYRD. Now we will call on Congressman Anthony C. Beilenson.

Mr. BEILENSON. Thank you very much, Mr. Chairman. I appreciate very much your slipping me in here between the Secretaries. I will only take 3 or 4 minutes. I believe members have been supplied with a copy of my testimony.

Senator BYRD. We have your statement. Thank you.

[The statement follows:]

STATEMENT OF CONGRESSMAN ANTHONY C. BEILENSON

Mr. Chairman, I appreciate the opportunity to testify before your subcommittee in support of funding for the **Santa Monica Mountains National Recreation Area** (NRA) which is located partially in the congressional district I represent. We appreciate your assistance in the appropriation of **$6 million for land purchases in the park in FY 87**, and **we hope that we will have your continued support for this project.**

For FY 88, as in the past, the Reagan adminstration is not seeking any funding for land acquisition in the Santa Monica Mountains NRA. In addition, the administration has proposed rescinding almost all of the funds Congress appropriated for the park for FY 87. Because the longer we delay purchasing land there, the more the park will cost, we **hope that you will reject the administration's shortsighted policy by rejecting the rescission and by providing additional funding for FY 88.**

Although our efforts to get the Santa Monica Mountains NRA fully established have been slowed in recent years because of the Reagan Administration's opposition, there has nonetheless been significant progress. Because Congress has appropriated at least some funds almost every year for the Santa Monicas, the National Park Service has been able to acquire some key properties and to establish some outstanding visitor service programs. Slowly but surely, the Santa Monica Mountains NRA is becoming the kind of park that we all can be proud to have as a part of our national park system.

But much remains to be done. **The land acquisition program,** which should have been completed three years ago under the timetable contained in the park's 1978 enabling legislation, **is only about one-third complete.** Many properties that the Park Service hopes to acquire are threatened with development and will be lost for public use if more funds are not forthcoming soon. Properties that are not lost to development are likely to

escalate in price. Thus, if we delay purchasing the land, we will end up spending more for it later--and we will get less of it.

There are numerous properties that the Park Service could acquire if funds were made available in FY 88, including:

--Lands that comprise the Backbone Trail, a continuous 55-mile hiking and horsebackriding trail linking public lands from east to west throughout the recreation area. About 15 miles of the trail remains unprotected. 820 acres; estimated cost: $2 million.

--Las Virgenes Valley. The flat and rolling terrain of this area and its location in the heart of the recreation area make it ideal for a major activity site. A 272-acre tract (Quaker Corporation property) is threatened with imminent development. The Park Service has already set aside half of the funds needed to acquire it. Estimated additional cost: $3.5 million.

--Zuma and Trancas Canyons. These adjoining coastal canyons contain rare and valuable wildlife and are among the most ecologically significant areas of the entire park. By prior agreement, the Park Service needs to reimburse the state of California for half of a 786-acre tract by the end of 1988 or it will be sold; the other half must be reimbursed eventually. Cost: $6 million. Purchase of other properties is needed to complete public ownership of the area. 747 acres; estimated cost: $3.3 million.

--Medea Valley. Purchase of 314 acres (Whizen property) located adjacent to land now owned by the Park Service would allow expansion of the existing visitor uses in this area and would provide a critical link in the major north-south trail in the mountains. Estimated cost: $10.5 million.

--Rancho Sierra Vista-Leo Carrillo Connection. This area connects the beach and inland park lands and is an important natural resource area. 29 acres; $125,000.

--Santa Maria Canyon. This area contains valuable paleontological resources and is needed for reseach and education purposes. It adjoins existing parklands. 40 acres; estimated cost: $200,000 million.

All of the above-mentioned properties are either: threatened with imminent development, pose hardship problems for their owners, or are owned by people who have approved appraisals and have been waiting a long time for the Park Service to purchase their land. There are many other properties--both within the priority areas listed above and in other parts of the park--that could be purchased if enough funds were available. (For example, in addition to the acreage listed above for Zuma and Trancas Canyons, another 2,048 acres--costing an estimated $10.2 million --will need to be acquired to complete public ownership of that area). However, since the cost of lands in the above list already adds up to more than what Congress is likely to appropriate in one year, I have listed only proposed acquisitions that fit the three categories I've just mentioned.

Any funding provided for the Santa Monicas will be a truly cost effective use of our scarce federal funds. Not only will we be saving funds by purchasing land on a more timely basis, we will also be saving funds by limiting the need for future disaster relief. Because land in the Santa Monicas is particularly prone to fires, floods, and mudslides, if the land is developed instead of saved for the park, we are almost certain to be paying exhorbitant amounts in federal disaster relief for the increasing number of homeowners there who become victims of natural disasters. In the long run, the federal government could easily end up paying more in disaster aid--with no public benefit resulting--than if we purchase land there, now, for the park.

One more important point about the Santa Monica Mountains NRA is that this park has the potential to be the most frequently visited unit of the entire National Park System. Already, with

the park only one-third complete, it attracts half a million visitors a year. The mild climate of Southern California invites year-round usage from the ten million people who live within an hour's drive of the park as well as the eight million out-of-state visitors to Los Angeles who are using this park in increasing numbers. In terms of providing outdoor recreational opportunities for the greatest number of people now and in the future, there is probably no better use of National Park Service funds than the continued acquisition of park land in the Santa Monicas.

We hope, therefore, to have your support in ensuring continued progress this year toward completing federal land purchases in the Santa Monicas Mountains NRA.

Thank you, again, for the opportunity to testify and for your consideration of this request.

Mr. BEILENSON. I do appreciate this opportunity to testify before your subcommittee in support of funding for the Santa Monica Mountains National Recreation Area, which is located largely in the congressional district which I represent. We appreciate your assistance in the appropriation of $6 million for land purchases in the park for this current fiscal year, 1987. We hope we will have your continued support for this project in this coming year.

For fiscal year 1988, as in the past, the administration is not seeking any funding whatsoever for land acquisition in the Santa Monica Mountains NRA. In addition, the administration has proposed rescinding almost all of the funds Congress appropriated for the park for fiscal year 1987. Because the longer we delay purchasing land there the more the park will cost, we hope that you will reject the administration's shortsighted policy by rejecting the rescission and by providing additional funding for fiscal year 1988.

Although our efforts to get the Santa Monica Mountains NRA fully established have been slowed in recent years because of the administration's opposition, there has, nonetheless, been significant progress. Because Congress has appropriated at least some funds almost every year for the Santa Monicas, the National Park Service has been able to acquire some key properties and to establish some outstanding visitor service programs. Slowly but surely the Santa Monica Mountains NRA is becoming the kind of park that we all can be proud to have as a part of our National Park System.

But much remains to be done. The Land Acquisition Program, which should have been completed 3 years ago under the timetable contained

in the park's 1978 enabling legislation, is only about one-third complete. Many properties that the Park Service hopes to acquire are threatened with development and will be lost for public use if more funds are not forthcoming soon. Properties that are not lost to development are likely to escalate in price. Thus, if we delay purchasing the land, we will end up spending more for it later, and we will get less of it.

There are numerous properties that the Park Service could acquire if funds were available in fiscal year 1988.

Mr. Chairman and members, I list on the next 1½ pages five or six of the major properties which the Park Service wants very much to acquire in the immediate future. I will leave that for you and your staff to peruse later on and not read it all to you. But let me tell you that all of those properties are either threatened with imminent development, pose hardship problems for their owners, or are owned by people who have approved appraisals and have been waiting in many cases for a long time for the Park Service to purchase their land. There are many other properties, both within the priority areas listed above and in other parts of the park, that could be purchased if enough funds were available. However, since the cost of lands in the above list already adds up to more than what Congress is likely to appropriate in 1 year, I have listed only proposed acquisitions that fit the three categories that I mentioned just a moment or two ago.

Any funding provided for the Santa Monicas will be a truly cost effective use of our scarce Federal funds. Not only will we be saving funds by purchasing land on a more timely basis, we will also be saving funds by limiting the need for future disaster relief. Because land in the Santa Monicas is particularly prone to fires, floods, and mud slides, if the land is allowed to be developed for home sites and other such reasons instead of being saved for the park, we are almost certain to be paying exorbitant amounts in Federal disaster relief for the increasing number of homeowners there who become victims of natural disasters.

This is ironic, I must say, but it is really the truth. In the long run the Federal Government could easily end up paying more in disaster aid over the next several scores of years if we allow development there than it would cost us to simply purchase the land outright for the park and to preserve it.

One more important point about the Santa Monica Mountains NRA is that this park has the potential to be the most frequently visited unit of the entire National Park System. Already, with the park only one-third complete, it attracts 500,000 visitors a year. The mild climate of southern California invites year-round usage from the 10 million people who live within an hour's drive of the park as well as the 8 million out-of-State visitors to Los Angeles who are using this park in increasing numbers. In terms of providing outdoor recreational opportunities for the greatest number of people now and in the future, there is probably no better use of National Park Service funds than the continued acquisition of park land in the Santa Monicas.

We hope, therefore, Mr. Chairman and members, to have your support in ensuring continued progress this year toward completing Federal land purchases in the Santa Monica Mountains NRA.

I thank you all again very much for allowing me to come in at this point and testify in support of those appropriations.

Senator BYRD. Senator Stevens.

Senator STEVENS. I was raised in that area south of Santa Monica. It seems to me that every time I go out there and visit my family it is turning into what I would call a county park. Why should we continue to put Federal money in that park?

Mr. BEILENSON. We should continue to put Federal money in the park, quite frankly, Senator, because the county and the State and the other folks who should have made a park there years ago at a lesser cost never did so, and we are the only ones who have the resources now to do it.

I don't disagree theoretically or philosophically with the gentleman from Alaska. As I said, it should have been someone else's responsibility, but the bald fact remains that if we don't help save that land forever no one is going to do so, and I believe strongly that it is worth saving. That is why we established it back in 1978.

We keep facing this ironic situation where if, in fact, we had followed the guidelines in the original bill, Mr. Chairman, and spent the $125 million which had been authorized by the Congress in the first 5 years as we had intended to do, we could have acquired more land at a lesser cost than we are doing by stretching it out year after year after year. We are now in the eighth year of appropriations. The administration doesn't give us any support. We are ending up getting a little less land than we otherwise would have and it is costing a lot more money, and I just wish we could spend the money quickly and get the land. Because, if I may say so, we are going to keep after it. I think most folks agree it is a worthwhile park, and it would be better if we did it more quickly. We could do it more successfully and do a better job if we did.

Let me say to my friend, the gentleman from Alaska, as the gentlemen well knows, it is a beautiful place. I just came back from California late last night. I spent one-half the day the day before yesterday up in the park. It is just spectacular.

It doesn't in some ways, obviously, compare with some of the parks in the gentleman's State; it does not even compare in beauty to parts of the Alleghenys perhaps; but it is a beautiful place.

As I said, it is within an hour's drive of 10 million people; 8 million people from around the country come in there every year; and the usage is way up. It is a very important and beautiful natural resource, the cost of which, of course, is huge, as the gentleman realizes. I don't need to tell the gentleman that. It is because it is in southern California, within an hour's drive of millions of people where land costs and home costs have escalated in the last dozen years or so. But I think it is well worth it.

Senator BYRD. I would hope that the representative would be a little more careful in his use of the English language. He spoke admiringly of the beauties of the parks in Alaska and said that the area to which he had referred would not compare and might not even compare with some of the beauties of the sites in the Allegheny Mountains and west of the Alleghenys. I will pardon the gentleman in his enthusiasm to respond.

Mr. BEILENSON. The gentleman from California will not ever again say that. [Laughter.]

In fact, I was in the gentleman's State 2 or 3 weeks ago, along with our colleagues from our side of the aisle and the other side, at the Greenbrier. It was an absolutely beautiful weekend. This gentleman cross country skied and a number of other things we can't do in southern California. It was, in fact, a truly beautiful place.

Senator BYRD. The gentleman may have more time if he wishes. [Laughter.]

Mr. BEILENSON. Thank you.

Senator BYRD. Thank you very much for your testimony, Mr. Beilenson.

Mr. BEILENSON. I thank you, Senator, for your time.

Senator BYRD. The subcommittee will certainly consider your request carefully. You made a fine statement.

STATEMENT OF HON. DAVID L. BOREN, U.S. SENATOR FROM OKLAHOMA

PREPARED STATEMENT

Senator BYRD. We will now hear from Senator Boren.

Senator, we will place your submitted statement in the record at this point and then you may proceed.

[The statement follows:]

STATEMENT OF SENATOR DAVID L. BOREN

America's growing dependence upon crude oil imports is certain to produce another crisis similar to that which developed following the 1973 oil embargo. Indeed, it seems likely that the next situation will be more serious. Current conditions in the domestic energy industry are such that exploration and development are almost at a standstill and our domestic production capital is rapidly falling. This means increasingly greater reliance upon sources which are both costly and insecure. Additionally, within the last few months, the domestic energy industry has shut down a large portion of their research and development programs. Large numbers of research scientists have been laid off and a number of laboratories closed.

The University of Oklahoma has undertaken to construct a world class Energy Center for research and education. The Center will cost about $45 million. Approximately, 50 percent of construction costs is being provided by the private sector and 33 percent by the State of Oklahoma.

Original plans were to build the Center with only state and private contributions. However, current economic conditions in the energy industry have made this goal unattainable. In spite of aggressive efforts, $9 million remains to be raised.

A partnership of the private sector, the state, and the federal government is most appropriate. The scientific and research focus of the Energy Center is the technological advancement of domestic energy production, national security, and the protection of the environment. The Energy Center will provide research critical to such areas as enhanced oil recovery and the necessary technology to drill deep gas. Approximately 25 percent of the Center will be used by scientists and researchers involved in projects related to federal agencies including the Departments of Energy, Interior, and Defense.

The 340,000 gross square foot facility consists of two below ground levels, a ground level, and a 13 story tower. The core,

below ground level, of 160,000 square feet is completed. Classes are being held there and more than 200 laboratories are in operation.

My purpose, along with my colleague Senator Nickles, is to request an appropriation in the amount of $9 million to conclude this Energy Center. These funds will be used only for construction and equipment with no federal funding requested for operations. This request has the concurrence of the entire Oklahoma delegation.

In summary Mr. Chairman, 60 percent of all the crude oil discovered in the United States since the first well was drilled in Pennsylvania in 1868 has yet to be recovered. With the technologies we can develop at this facility we can recover over time a significant proportion those reserves. Thus the Energy Center will repay this appropriation many times over through the contributions it will generate that help assure economical, dependable domestic sources of energy to meet the future needs of this nation.

Fact Sheet

THE UNIVERSITY OF OKLAHOMA ENERGY CENTER

The Physical Facility
- --340,000 gross square feet
- --207 teaching and research laboratories and 4 libraries
- --located on a seven-acre site
- --planned as an energy-efficient structure
- --core area in lower two levels

Funding for Construction of the Energy Center

Private funds received	$14,000,000	
Private funds committed and currently being paid	7,000,000	
Total Private Funding		$21,000,000
State funding received from the State of Oklahoma		15,000,000
TOTAL FUNDING TO DATE		$36,000,000
Federal Funding requested from Supplimental Fiscal 1987 Budget or Fiscal 1988 Budget		9,000,000
TOTAL CONSTRUCTION, FURNISHINGS, & EQUIPMENT COST		$45,000,000

Other Funding Contributions for the Energy Center
$ 2.300 million in gifts and pledges for endowments
$ 2.425 million in gifts and pledges for equipment

Research Units in the Energy Center
Oklahoma Geological Survey
Energy Resources Institute
Science and Public Policy Program

Cooperative Institute for Mesoscale Meteorological Studies
Cooperative Institute in Applied Remote Sensing
The GEOSAT Committee, Inc.
Applied Systems Institute

Disciplines in the Energy Center

College of Geosciences
- Geology and Geophysics
- Geochemistry
- Geography
- Meteorology

College of Engineering
- Petroleum Engineering
- Geological Engineering
- Chemical Engineering and Materials Science

Related Disciplines Involved in the Energy Center

- Civil Engineering
- Electrical Engineering and Computer Science
- Industrial Engineering
- Mechanical Engineering
- Petroleum Land Management
- Oil and Gas Law
- Energy Economics
- Chemistry
- Mathematics
- Physics

Specialized Research Laboratories

Computing Laboratory for research in seismic data and processing data from satellites
Computer-Aided Design and Manufacturing Laboratory
Petroleum Engineering Production Laboratory
Civil Engineering Environmental Laboratory
Thermodynamics Laboratory
X-Ray Diffraction & Fluorescence Laboratory
Rock Mechanics Laboratory
Perry Laboratory for Gaseous Fuels Research and Teaching

Related Facilities Located in Norman

National Severe Storms Center
Major Meteorological Center
- National Weather Service lead state forecast office
- Next Generation Radar (NEXRAD) Operational Support Facility with a $1 million Doppler radar for National Weather Service, Federal Aviation Administration, and Department of Defense

Satellite Ground Station
- $10 million station, being built by the Earth Observation Satellite Co. (EOSAT) to receive data from LANDSAT

Oil Well Blow-Out Prevention School

Representative Corporate and Foundation Donors

Atlantic Richfield Foundation
Cities Service Company
Conoco Inc.
Dresser Foundation, Inc.
Halliburton Foundation
Helmerich & Payne, Inc.
The Kerr Foundation
MAPCO, Inc.
Mobil Oil Corporation
The Louisiana Land & Exploration Company
Oklahoma Gas & Electric Co.
ONEOK, Inc.
Phillips Petroleum Company
Panhandle Eastern Corporation
Shell Oil Company
Sun Company, Inc.
Tenneco, Inc.
Texaco Philanthropic Foundation
United Energy Resources
The Western Companies of North America
The Williams Companies

Senator BOREN. Thank you very much, Mr. Chairman. I have been sitting in the room very briefly, but I think I have been here long enough to catch the drift of the proceedings. I want to stipulate from the beginning my admiration for the beauty of wild and wonderful West Virginia before I even commence my remarks. And Alaska as well, of course, Senator Stevens.

I want to talk this morning about a very important project in the State of Oklahoma that is linked to the continued preservation and development of our precious oil and gas resources in this country.

I think we all realize that we are facing a tremendous crisis in terms of our ability domestically to continue to meet our energy needs. In July 1985 we were only importing 24 percent of our daily needs of crude oil. Today we are importing 45 percent. During that same period of time we have gone from 45,000 barrels per day to 650,000 barrels per day coming in just from Saudi Arabia.

We have had a drastic decline in domestic activity. The rig count, which peaked out at 4,700 operating rigs in December 1981, has dropped all the way down to 663 during calendar year 1986. Thirty percent of the geologists in this country are now totally unemployed. The number of students going into energy-related fields, geology, geophysics, petroleum engineering, petroleum geology, has dropped from a little over 7,000 to less than 3,000.

We are facing a real crisis in terms of our ability to continue to meet the domestic energy requirements of this country. In fact, we are in a more vulnerable position today, and it is becoming more vulnerable, than we were during the situation when we experienced the embargo a few years ago.

The University of Oklahoma has undertaken to construct a world class energy center for research and education. This center would cost about $45 million. Approximately 50 percent of the construction cost is being provided by the private sector, by private donations, which are in hand, and 33 percent of the construction cost is being paid by the State of Oklahoma, by legislative appropriations, which has had very strong bipartisan support in our State legislature and by successive Governors of the State of Oklahoma.

Original plans were to build the center with only State and private contributions. However, current economic conditions in the energy industry, and, I might say, in the State at large—I think all of you have probably read the articles in the newspaper this past week indicating that the past 4 years we have had 45 bank failures in the State of Oklahoma—have made this goal unattainable. In spite of very aggressive efforts to raise private funds, $9 million of the total $45 million remains to be raised. So $36 million is in hand with private donations and legislative appropriations, and $9 million remains to be raised.

A partnership of the private sector, the State, and the Federal Government in this situation is most appropriate. The scientific and research focus of the energy center is the technological advancement of domestic energy production, national security, and the protection of the

environment. The energy center will provide research critical to such areas as enhanced oil recovery and the necessary technology to drill for deep gas. Approximately 25 percent of the center will be used by scientists and researchers involved with projects related to Federal agencies, including the Department of Energy, Department of the Interior, and the Department of Defense. So there will be very, very significant participation and direction of the use of this center toward Federal needs and the needs of Federal agencies and Federal research.

The 340,000 gross square foot facility consists of two below ground levels, a ground level, and a 13 story tower. The core below ground level of 160,000 square feet is completed. Classes are being held there now and more than 200 laboratories are in operation in the center at this time.

My purpose, along with my colleague Senator Nickles, is to request an appropriation in the amount of $9 million to conclude this energy center and complete it. These funds will be used only for construction and equipment with no Federal funding requested for operations. This request has the concurrence of the entire Oklahoma congressional delegation, the leadership of the State.

I know the chairman understands this, coming from the State of West Virginia, which, of course, was one of the pioneer oil fields in this country, and many of the people who came out of those fields, in fact, came into Oklahoma to continue the development of the fields in our State, but 60 percent of all the crude oil discovered in the United States since the first well was drilled in Pennsylvania in 1968 has yet to be recovered. With the technologies we can develop at this facility we can recover over time a significant proportion of those remaining reserves. Thus, the energy center will repay this appropriation many times over through the contribution it will generate, which will help assure economical and dependable domestic sources of energy to meet the future needs of the Nation.

I have a fact sheet which goes into great detail about the center, about its physical characteristics, and also about its construction cost, Mr. Chairman, which I would like to insert in the record along with my statement.

Senator BYRD. Thank you, Senator Boren.

Senator NICKLES. Mr. Chairman, may I make a comment?

Senator BYRD. Yes.

Senator NICKLES. I want to compliment my colleague for his statement and for the work that we have been putting in on this center. This is a world class energy research center. I also compliment the chairman.

I agree with you 100 percent. We are not so much in a competition among coal and oil and gas or nuclear. I think there is a very serious problem. I think the chairman understands it and I think the Senators from Alaska and from North Dakota and others understand it, or at least are beginning to understand it. I think we need to further educate a lot of our colleagues and a lot of our country. I think the article in

the New York Times yesterday maybe helped spread that word. But we do have some serious problems.

I mentioned in my earlier statement part of the brain drain and the loss of competent professionals in research and development in oil and gas and other technologies. I think this energy center which Senator Boren spoke to is an outstanding facility, which is in the process of being built. We are looking at Federal participation of about 20 percent and the rest is all private and State funding. It can be a real national asset, a national treasure to help us find and recover a precious natural resource which, I am afraid, we will find out very shortly, in the next few years, is very precious and very much at the discretion or control of foreign sources.

I concur wholeheartedly with Senator Boren's statement and I look forward to working with the chairman and others on this committee to see if we can't bring it about this year.

Senator STEVENS. I would echo that, Mr. Chairman, and thank you for being a Paul Revere raising the cry about this problem of increased dependency on foreign sources. It is alarming.

Senator BOREN. It certainly is, Senator Stevens. I think the degree to which domestic production is declining has just not sunk in yet with the American people. We had a 10-percent decline this last year and I heard testimony a couple of weeks ago in the Energy Subcommittee and the Finance Committee from the professional geologists, those whose estimate have the greatest credibility, and they said that in States like Oklahoma we are now looking at an annualized 20 percent decline curve for this coming year in total domestic production. That average of 10 percent is going to be much higher during this next year. I dread to think where it is going to leave us in terms of the national security interest and in terms of the interest of the consumers. They are absolutely going to be at the mercy of foreign producers in terms of pricing once they get us where they finally want us in terms of our dependence.

Senator STEVENS. I was at a meeting last night where they projected in 1988 a 60-percent dependency upon foreign sources.

Senator BOREN. The most conservative figure I have seen is that we would cross the 50-percent mark before 1990 and we could get to 60 percent by 1992, but there are many who are saying that we are going to cross the 50-percent mark by late 1988.

Senator STEVENS. Thank you very much, Mr. Chairman.

Senator BYRD. Thank you, Senator Boren.

ADDITIONAL SUBMITTED STATEMENTS

The subcommittee has received several statements from various Members of Congress which will be placed in the record at this point.

[The statements follow:]

STATEMENT OF SENATOR CARL LEVIN

Mr. Chairman: I am submitting testimony today as a member of the Franklin Delano Roosevelt Memorial Commission. I have discussed this testimony with the Honorable Eugene J. Keogh, chairman of the commission and he approves the thrust of my remarks.

It has now been 40 years since a joint resolution was introduced to establish a commission that would oversee the creation of a memorial to Franklin Delano Roosevelt. In 1955, 31 years ago, Congress enacted PL 972 "for the purpose...of formulating plans for the design, construction, and location" of a permanent memorial to President Roosevelt. In 1982, the President and Congress approved the design for the memorial, to be constructed in West Potomac Park. In 1984, the National Park Service contracted with Lawrence Halperin to prepare the final preliminary plans and a construction cost estimate. That work is now complete.

All we need is the money and we'll be ready to go. That is why I'm here. The Administration is again requesting but $28,000--a sum that will keep the FDR commission alive for another year but it proposes not one dime for site preparation or construction. Mr. Chairman, at this rate none of us will be alive to see the FDR memorial.

I believe that this situation is unconscionable. Franklin D. Roosevelt was one of our greatest Presidents. His domestic legacy revolutionized our society. His foreign and defense policies enabled this Nation to fight a war to liquidate the deadliest evil the world has ever faced: Nazism.

That is why I plead with the Committee to begin work on the memorial now, that we delay no further. Chairman Keogh has testified (in testimony submitted to the House Appropriations Committee) that the National Park Service estimates that a $5 million appropriation "is essential" to allow it to do the final site preparations prior to construction. I ask you to appropriate that $5 million and the $28,000 necessary to keep the commission alive for another year.

I am fully aware of the arguments that can be raised against this proposed expenditure. The main argument will be budgetary: How can we--in this era of skyrocketing deficits--ask for several million dollars for a memorial. Another argument will be that FDR himself said that he wanted no memorial other than a small plaque on the National Archives building.

My response is that the Thomas Jefferson Memorial was authorized during the Depression and built during World War 11. The Nation had higher priorities than that memorial to Jefferson as it today has higher priorities than a memorial to Roosevelt. However, it was recognized that the Jefferson Memorial would help strengthen American values and lead to a greater understanding of the national purpose. That is why President Roosevelt himself lent strong support to the Jefferson memorial during a period of depression and war. He understood that it is especially in periods of crisis that we must remind ourselves and our children about the values upon which this Nation was built. As for FDR's own preference for a small, almost invisible memorial, that preference only reflected his own modesty. We should not be bound by that modesty any more than FDR felt bound by Thomas Jefferson's own modesty. We do not build these memorials for our honored dead. We build them for ourselves and our progeny, the living.

That is why I urge action now. The FDR memorial must be built. We need it as a reminder of the spirit that this Nation can and has

demonstrated to meet challenge. FDR, that gallant and heroic American, is a symbol of that spirit. Let's get the job done.

STATEMENT OF CONGRESSMAN DOUGLAS H. BOSCO

Mr. Chairman and subcommittee members, I appreciate the opportunity to testify before you today. I am seeking the subcommittee's support for several specific appropriations, but would first like to briefly discuss the Forest Service's timber sales and road construction programs.

The Administration's request would allow for sales of about 1.6 billion board feet in Region 5 in Fiscal Year 1988. Based on current demand for Forest Service timber in California, I believe the market could easily support a higher sales level. The land management plans now being prepared for individual national forests may ultimately call for total sales of more than 1.8 BBF in Region 5. As such, I would ask the subcommittee to consider funding at least some increase in timber sales in Region 5 above the level proposed by the Administration.

In regard to the road construction issue, I just want to register my support for a reasonable level of funding for construction and maintenance that will allow the agency to carry out its multiple-use mandate. I do not believe the appropriations process provides a suitable forum for determining the merits of development of roadless areas. Those issues were addressed during Congress's deliberations on wilderness legislation and will be considered again during development of the forest plans.

The first direct appropriation I am seeking is for $500,000 to initiate work on the Klamath River fisheries restoration program authorized under Public Law 99-552. Developed on a bipartisan basis, this program consists of both a 20 year, $42 million habitat restoration plan and establishment of a new management advisory council. The goal of PL 99-552 is to reverse a nearly 80 percent decline in the Klamath fisheries that has had a severe economic impact on California's North Coast economy.

Despite the high priority afforded this program by the Department of Interior, the Administration has failed to request any program funding for Fiscal Year 1988. I am concerned that our failure to provide the $500,000 needed next year could seriously undermine efforts to restore the resource by delaying badly needed habitat rehabilitation Just as important, our failure to act could jeopordize recent hard-won agreements among the user groups to restrict harvests of Klamath River fish in return for federal and state restoration funding.

Mr. Chairman, fishery restoration efforts in California and elsewhere have proven to be highly cost-effective. Subcommittee approval of this first year funding would put us on track toward realizing the substantial environmental and economic benefits that will result from this program.

I am also seeking an appropriation not to exceed $1.5 million for Forest Service acquisition of roughly 2,200 acres of private land located in the Yolla-Bolly/Middle Eel Wilderness in Trinity County, California. This land is currently owned by Mr. Richard Wilson, who is a willing seller. It is widely agreed that the Wilson property contains significant fishery and wildlife resources that would be an invaluable asset to the California Wilderness system.

Section 103 (c) of the California Wilderness Act of 1984 directs the Secretary of Agriculture, within three years, to acquire by exchange all or part of the privately owned lands within the California wilderness area. After three years, the Secretary is required to use all other means available to acquire such lands.

Pursuant to that mandate, the Forest Service has actively sought transference of Mr. Wilson's inholdings to the federal government. Unfortunately, despite the best efforts of all parties involved, no suitable lands for exchange have been found. At the same time, Mr. Wilson is very anxious to apply the proceeds of any federal exchange or acquisition to help retire his considerable debt on Farmers Home Administration loans taken on his land in the late 1970's.

I would hope the subcommittee agrees that federal acquisition is the last means available by which to secure a fair and equitable settlement. The Forest Service badly wants these lands as valuable additions to the California wilderness, and the Farmers Home Administration is quite anxious to retire part or all of its loans. Subcommittee approval of these funds would be an important step in our continuing efforts to meet the mandate of the California Wilderness Bill. (The actual amount of money spent should be determined through negotiations based on the appraised value of the lands plus reasonable reimbursement for expenses incurred.)

The next item I would like to bring to the subcommittee's attention is the need for land acquisition funds for the Humboldt Bay Wildlife Refuge near Eureka, California.

While I recognize that refuge acquisition funds are scarce, current negotiations between the Fish and Wildlife Service and willing sellers offer us the opportunity to add several thousand acres of truly unique and irreplaceable wetlands habitat to our refuge system. Humboldt Bay is the second largest estuary in California and has the second highest shorebird use on the West Coast south of Alaska. It is also an important area of habitat protection for the continually threatened Pacific brant. Correspondingly, this area is the Service's number one priority for acquisition in Fiscal Year 1988.

It is unfortunate that land acquisitions to date total only 559 acres out of almost 8,000 acres that lie within the refuge boundaries. This lack of commitment to expanding the refuge has seriously impacted the quality of wildlife management as well.

In closing, I believe these lands are crucial for future wetlands and fisheries enhancement as well as public access and education. I would urge the subcommittee to lend its support to the Service's current efforts at expanding the Humboldt Bay Wildlife Refuge.

Thank you for your time. I appreciate your consideration.

STATEMENT OF SENATOR FRANK H. MURKOWSKI

Mr. Chairman, I urge you to include an appropriation of $11 million in the FY 88 Interior and Related Agencies Appropriations bill for the acquisition of Goat Island and the South Pass Islands, in Southeast Alaska, pursuant to Public Law 99-664. This appropriation would permit inclusion in the Tongass National Forest of a group of scenic islands that are rich in fish and wildlife habitat.

In the closing days of the last session, the Congress passed legislation sponsored by Senator Stevens and myself to authorize the Forest Service to enter into a land exchange agreement in Alaska with a small native village corporation, the Haida Corporation. P.L. 99-664 also authorizes an appropriation from the Land and Water Conservation Fund of $9 million for the acquisition of Goat Island and the South Pass Islands. It further authorizes the acquisition of up to 667 acres of additional lands for up to $2 million at a specific price per acre.

P.L. 99-664 was the result of many long hours of negotiations to make this agreement acceptable to the Congress, the Haida Corporation, the State of Alaska, the timber industry, and the environmental community. The value of the land to be acquired was determined through negotiations with the Forest Service and meets Forest Service approval.

For hundreds of years the Haidas had claim to the richest timberland in Alaska. But due to technicalities in the Alaska Native Claims Settlement Act (ANCSA), including the fact that the Government moved these people from their ancestral villages to a new site, their traditional timber rich lands were not available to them for selection pursuant to ANCSA. The lands that they received under ANCSA had marginal commercial timber value to begin with, and the precipitous drop in timber prices in recent years has made much of it of little value today for timber harvesting purposes. In addition, there was considerable delay on the Government's part in conveying the Haidas their land, greatly exacerbating the problem of the falling timber prices.

The Haidas have experienced severe financial difficulties in recent years. All of their lands are presently subject to foreclosure or liquidation under Chapter 11. Without this appropriation, the Haida Corporation may be the first Native corporation to lose the lands it received in return for settling its aboriginal claims with the United States.

Again, I urge you to recognize the urgent need for this appropriation that will allow the Haidas to sell some of their lands so that they do not lose all of their homelands. Mr. Chairman, thank you for the opportunity to bring this matter of importance to the Haida people to your attention.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

STATEMENT OF DONALD PAUL HODEL, SECRETARY

ACCOMPANIED BY:

JOSEPH W. GORRELL, PRINCIPAL DEPUTY ASSISTANT SECRETARY, POLICY, BUDGET AND ADMINISTRATION

ANTHONY L. ITTEILAG, DIRECTOR, OFFICE OF BUDGET

PREPARED STATEMENT

Senator BYRD. The subcommittee will now turn to the budget for the Department of the Interior. We thank you, Mr. Secretary, for your indulgence of our proceeding with the congressional witnesses. It is a pleasure to see you before the committee.

Your full statement will be included in the record as though read, and if you would like to make a summary statement or if you would like to introduce associates, please proceed.

[The statement follows:]

STATEMENT OF DONALD PAUL HODEL

I am pleased to appear before you today in support of the President's FY 1988 budget for the Department of the Interior.

The mission of the Department of the Interior is carried out within the budgetary framework proposed annually to the Congress by the President and the Secretary of the Interior. The measures in this budget reflect the Department's continuing commitment to ensure that the Nation's public lands and natural resources are wisely used and protected for the economic and environmental well-being of the Nation and that essential services to the public are maintained. The Department's 1988 budget is consistent with the President's efforts to reduce the Federal deficit in accordance with the Gramm-Rudman-Hollings Deficit Reduction Act while maintaining the integrity of essential operating programs and the priorities of this Administration.

FY 1988 Budget Totals

The 1988 Interior Department budget totals $6.3 billion in budget authority, a decrease of $1 million from the current 1987 estimate. Outlays in 1988 are estimated to be $6.3 billion, a $660 million reduction below the 1987 estimate of $6.9 billion.

Total receipts resulting from activities of the Department are estimated to be $6.5 billion in 1988, $325 million below the current estimate for 1987. Of the $6.5 billion in 1988 receipts, $1.9 billion offsets the total budget authority request ($6.3 billion), resulting in net budget authority of $4.4 billion.

Excluding the Bureau of Reclamation budget, which is considered by the Energy and Water Development Subcommittee, the FY 1988 request for programs under the jurisdiction of this Subcommittee is $5.293 billion, a reduction of $101 million from the 1987 estimate of $5.394 billion.

The 1988 budget for the Department of the Interior provides sufficient funding to meet the Department's many and varied operating priorities, while contributing to reduction of the deficit. Together with the other components of the President's budget, the Department's requested budget of $6.346 billion will achieve the 1988 deficit target established by P.L. 99-177, the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act. To meet the target, the budget also proposes net reductions (including rescission proposals partially offset by supplemental requests) of $280 million below the 1987 enacted level.

Authorizing Legislation Required

Included in the FY 1988 budget are several items which require passage of authorizing legislation by the Congress. Our highest priority in this area is legislation that would provide permanent authority for an expanded entrance fee program for the National Park Service.

Legislation will also be proposed for the Bureau of Land Management-Forest Service interchange and for payment of interest on refunds by the Minerals Management Service. In addition, authorizing legislation is required for sharing net receipts from onshore mineral leasing and O&C grant lands and to forgive the debt to the Treasury related to the acquisition of the assets of the Bureau of Mines helium program.

I would now like to discuss four significant proposals in the Department's budget which emphasize efficient use of available resources to meet major Departmental objectives.

Sport Fish Restoration Transfer to Resource Management

For 1988, receipts from taxes authorized for the Dingell-Johnson Federal Aid in Sport Fish Restoration program (DJ) are estimated to continue to increase sharply to $174 million, an increase of $33 million over the 1987 level of $141 million; $52 million over the 1986 level of $122 million; and $136 million

over the 1985 level of $38 million. The increases have been due to the Wallop-Breaux amendments and, more recently, a re-estimate of the amount of fuel taxes paid by motor boat users.

Because of the large increases, the budget proposes that the Fish and Wildlife Service, in 1988 only, transfer $25 million in DJ receipts to its basic operating account for program responsibilities related to wildlife and fisheries. This transfer would leave $149 million for DJ, an increase of $8 million over the $141 million in 1987.

Incentives for American Indians

The 1988 budget for the Bureau of Indian Affairs (BIA) proposes several changes in bureau programs to provide incentives and opportunities for the self-improvement of Indians. The budget includes initiatives in the areas of education, economic development, welfare reform, jobs and training, and self-sufficiency for small tribes.

During 1988 the BIA will begin a concerted effort to gradually turn over operation of all remaining Federal Indian schools to tribal or local public school systems in order to localize decisions and policies. The Bureau intends to retain oversight of the academic progress of these students, and to ensure that they have the opportunity to follow their cultural traditions. The Bureau is now looking at multiple options which include contracting with tribes or States, cooperative efforts among public, tribal and Federal schools, and possibly voucher systems in certain situations. All of these options will be explored for the remaining BIA-funded schools, whose students comprise about 10 percent of all Indian students.

The Bureau, through its on-going programs, will emphasize economic development by encouraging investment opportunities and job creation. However, for economic development to occur on Indian reservations, there must be a skilled and motivated workforce. To this end, the Bureau proposes to implement in 1988 a nation-wide program aimed at enabling Indian individuals to achieve sustained and meaningful work, financial advancement and skill development while, at the same time, meeting many of their welfare needs. It is proposed to coordinate operation of the Housing Improvement, General Assistance, and Employment Assistance programs without fundamentally altering the present mission of any of the programs by redirecting them in a manner that encourages and enables self-assistance by Indian individuals. This proposed initiative will also accommodate tribal government efforts to benefit from their reservation workforce.

Finally the Bureau is proposing an initiative to provide tribes additional means by which to augment self-determination. One effort will provide eligible small tribes with greater financial support to improve basic governmental functions. The second effort will provide specialized technical assistance to tribes whose continued existence as governments is threatened by critical conditions of indebtedness and related financial management problems. These efforts are intended to enable tribes to achieve and maintain self-sufficiency.

Sharing of Net Receipts with States and Counties

The budget proposes that, beginning in 1988, the Federal costs of managing and administering onshore mineral leasing be deducted from total revenues and that receipts shared with the states be based on the resulting net amount. Currently, state shares (50 percent for all states except Alaska) are computed on a gross basis without taking account of the costs of obtaining and distributing these receipts, which are now borne entirely by the Federal government.

Under this proposal, which requires legislative approval, revenues from the onshore minerals program will provide the states with $390.2 million in 1988. This will be a decrease of $55.0 million from the amount that the states would receive under current law.

Net receipts sharing is also proposed to be applied to timber receipts from the former Oregon and California (O&C) Railroad grant lands. Net receipts sharing

will reduce estimated 1988 payments to the O&C counties in Oregon from $71.4 million to $42.9 million, a reduction of $28.5 million.

Bureau of Reclamation

Although the Bureau is not within the jurisdiction of the Subcommittee, I would like to discuss for your information the major initiative proposed in the 1988 budget in regard to Reclamation's planning and construction programs. The budget requests new funding of $700.2 million for Bureau of Reclamation construction projects, an increase of $98 million over the 1987 estimate. The increase is required to finance features of projects in which the Federal government has a major commitment. Increased funding is also provided to meet increased pay and retirement costs. At the same time, the request reflects a major new policy shift aimed at completing construction projects substantially underway while postponing or constraining funds for projects in the earlier stages of construction.

The budget proposes $11.6 million for the General Investigations Program (planning and research), a decrease of $17.8 million from the 1987 appropriation, in order to begin reducing the number of water projects competing for limited construction funding. The Department does not wish to compound existing construction project funding difficulties by planning for additional projects which would then compete for limited resources.

In order to effectively carry out the new direction for the Construction and General Investigations programs in FY 1988, it will be necessary to initiate an orderly restructuring of some planning and construction projects beginning in FY 1987. The Bureau is currently developing a plan for the orderly restructuring of its FY 1987 programs as the basis for carrying out the FY 1988 proposals and will provide that plan to the Congress as soon as it is available.

Other Significant Budget Proposals

Aside from the preceding proposals, the main thrust of the 1987 budget is to maintain operating levels of essential programs. The following is a discussion of other significant items in the budget, both increases and decreases from the 1987 estimate.

National Park Service Recreation Fees

The 1987 Interior and Related Agencies Appropriations Act authorized the Secretary to establish and increase entrance fees to most units of the System for a one year period. This action temporarily eliminated a freeze on entrance fees enacted in 1979 and permitted the first fee increases since 1972. For 1988, the Administration is proposing legislation that would provide permanent authority for an expanded entrance fee program.

Proposed changes from the 1987 entrance fee program include: authorizing the National Park Service to retain all recreation fees collected to supplement appropriations for operations and other programs; increasing the price of the Golden Eagle Passport from $25 to $40; raising the maximum single visit entrance fee from $5 to $10 per vehicle; and establishing a lifetime fee of $10 for the Golden Age Passport.

Under the proposed program, receipts from entrance and user fees are estimated to increase from $52.8 million in 1987 to $74.3 million in 1988. Total funding for Operation of the National Park System would increase $31.4 million from the 1987 current estimate to $714.8 million in 1988, the highest funding level ever for this account.

Migratory Bird Conservation Account

Permanent appropriations in the Migratory Bird Conservation Account (MBCA) of the Fish and Wildlife Service will be more than double what they were in 1986 and will be used to acquire high priority wetlands. Total estimated receipts in the MBCA are expected to be $37.6 million in 1988, an increase of $11.1 million over 1987. These increases result from several factors beginning in 1987. Based on the recently enacted Emergency Wetlands Resources Act, a full

year of admission fees and user fees at designated national wildlife refuges will be collected in 1988, of which 70 percent will be deposited in the MBCA for an increase of $3.5 million over 1987. The Act also provides for the deposit of import duties from arms and ammunition into the MBCA, an increase of $5 million over 1987. An increase of $2.6 million is also projected, chiefly due to the price of duck stamps being raised to $10 by the Act.

Sale of Federal Helium Operations

The 1988 budget proposes to sell to private industry all Bureau of Mines helium facilities and assets except the helium inventory, which will be retained for Federal agency use.

For many years, there was no domestic helium industry in the United States, and the Bureau of Mines operated facilities to supply the Federal government's needs for this lightweight gas. Now, however, there is a sizable domestic helium industry that has the capability to supply Federal as well as private requirements. Because the Bureau's helium activity has always been operated as a quasi-commercial enterprise and because these functions are not inherently governmental, the helium program represents an asset of the Federal government that can be operated by the private sector, which can manage such activities profitably and efficiently.

Under the 1988 budget proposal, the Federal government will sell to the successful private sector bidder the helium refining and distribution facilities currently owned by the government. The operator will then provide for Federal agency helium needs by withdrawing Federally owned helium from existing reserves. All revenues from the sale of the helium assets, estimated to be $50 million, and any future revenues will go to the General Fund of the Treasury.

The Department will propose legislation providing that the existing debt to the Treasury, approximately $1 billion which originally financed the acquisition of the helium reserve, plant, and equipment, be forgiven. The Bureau of Mines will continue to conduct helium resource assessment activities under its Mineral Data Analysis Program.

Funding for Pay Raise and Retirement Costs

The budget requests a total of $65.8 million for 1988 costs related to the January 1987 Federal pay raise of 3 percent. The 1987 costs of $47.8 million will be absorbed in most accounts within existing appropriations. As needed, reprogramming proposals to this effect will be submitted to the Congressional appropriations committees.

The budget also includes $124.9 million for the 1988 costs of the new Federal Employee Retirement System authorized by P.L. 99-335. The Department used standard assumptions which were applied throughout the government on the numbers of employees who will participate in the new system. The 1987 costs, estimated at $34.0 million, will be absorbed in the same manner as pay raise costs.

Land Acquisition

Except for $37.6 million of wetlands acquisitions financed from the Migratory Bird Conservation Account, the budget limits to $17.6 million the request for new appropriations for land acquisition in 1988. This is consistent with past Administration policy and addresses overall deficit reduction goals. The budget seeks $16.0 million for the National Park Service to fund administration of prior year recreation grants and to pay for emergency and hardship acquisitions, anticipated deficiency court awards, and administrative expenses.

The budget also requests that $1.6 million be appropriated to fund administration of on-going Fish and Wildlife Service acquisitions. This request will be supplemented, however, by $37.6 million in receipts for wetlands acquisition.

The $17.6 million 1988 land acquisition request is a reduction of $118.2 million compared to the 1987 appropriation. It will be a reduction of $24.4 million from the current 1987 estimate, which reflects rescissions which will be

discussed later. Because a large number of acquisitions have been funded over the past five years, the Department believes that land acquisition expenditures can be deferred without impairing the primary missions of the the National Park Service and the Fish and Wildlife Service. From 1982 through 1986, the National Park Service spent over $448 million to acquire 146,000 acres of park land. The Fish and Wildlife Service, during the same period, acquired 305,332 acres of refuge lands and 176,303 acres of migratory bird habitat at a cost of $303 million derived from the Land and Water Conservation Fund and the Migratory Bird Conservation account. During 1987, $42.0 million in new appropriations from the Land and Water Conservation Fund and $33.5 million in Migratory Bird Conservation funds will be available for land acquisition.

Other Construction

The Department has invested over $1.5 billion in non-Reclamation construction since FY 1982. Given this large investment and the need to meet deficit reduction goals, the 1988 request for construction programs, other than those in the Bureau of Reclamation, is $105.7 million, a reduction of $5.2 million from the current estimate which reflects proposed rescissions of $106.6 million to be discussed later. The 1988 request is $111.8 million less than the 1987 appropriations level.

Construction funding for the National Park Service will increase $1.9 million over the current 1987 estimate to $31.0 million in 1988. The 1988 amount will fund 11 projects in 10 parks, all of which will address health, safety or resource protection objectives.

Bureau of Indian Affairs construction funding of $57.9 million in 1988 is a $7.9 million reduction from the 1987 estimate of $65.8 million. The emphasis in BIA construction in 1988 will be on improvements and repairs to existing schools, repair of existing Indian housing, and rehabilitation of hazardous dams.

The Fish and Wildlife Service construction program increases by $5.4 million over the 1987 estimate, which reflects a proposed rescission of $23.2 million.

Construction in the territories will decrease by $4.6 million from the 1987 estimate.

Territories

Continued phase-down of the Trust Territory government in light of the implementation of the Compact of Free Association is reflected in the 1988 budget estimate for Territorial and International Affairs. Implementation of the Compact of Free Association for the Republic of the Marshall Islands and the Federated States of Micronesia (FSM) began during 1987. The budget includes $27.9 million for continuation of certain mandated Federal programs and services for the FSM and Marshall Islands. This represents an increase of $25.7 million from the 1987 current estimate for these programs and services. All other Compact funding was permanently appropriated in 1986. In 1988 permanently appropriated funds for the Compact will increase by $42.2 million, from $74.1 million in 1987 to $116.4 million. Funding for the Republic of Palau of $10.8 million continues under the auspices of the Trust Territory of the Pacific Islands until such time as the Compact of Free Association for Palau is approved by the required 75 percent majority of Palau voters.

The 1988 budget proposes a $13.8 million decrease for the Administration of Territories appropriation. This decrease will be accomplished through reduced construction grants to Guam, the Virgin Islands, and American Samoa, and through reduced operations and covenant grants to American Samoa and the Northern Mariana Islands. The budget proposal will allow for funding of essential projects and services while continuing the Administration's policy of encouraging private sector development and greater local economic self-sufficiency.

Receipts

Fiscal year 1988 Interior receipts are expected to total $6.5 billion, a decrease of $0.3 billion compared to 1987. This estimated decrease occurs primarily because of an assumed reduction of $1 billion in principal and interest released from Outer Continental Shelf (OCS) escrow accounts from 1987 to 1988. About $2.2 billion has been released from escrow in 1987 for leases off the coast of Louisiana under the settlement enacted in the 1986 Budget Reconciliation Act. The escrow release estimated for 1988 assumes a favorable Supreme Court decision on the location of the Federal/state boundary off the coast of Alaska permitting the release of the Section 7 escrow funds ($1.2 billion including interest).

Interior receipts from most other sources are expected to increase from 1987 to 1988. Estimated receipts from OCS rents and bonuses and royalties are expected to be $3.1 billion, an increase of $0.5 billion over the current estimate for 1987. OCS bonus estimates are based on the proposed five-year leasing schedule, with two California sales now scheduled for 1989.

Onshore mineral leasing revenues are projected to be $1.1 billion or $0.1 billion more than the 1987 estimate. All other offsetting receipts are estimated at $0.9 billion in 1988, or about $0.1 billion more than 1987; and all other non-offsetting receipts are projected at $0.3 billion, about the same as 1987.

Changes to 1987 Appropriations

The 1988 budget proposes changes to 1987 appropriations including supplementals of $23.0 million, transfers of $6.9 million, and rescissions of $302.7 million, which include $269.5 million from 1987 budget authority, $3.2 million from prior year unobligated balances and $30.0 million from contract authority.

Fire Suppression and Other Emergency Supplementals

Under existing authority the Department transferred $16.4 million during 1986 from various accounts to help finance fire fighting and rehabilitation in the National Park Service (NPS) and Fish and Wildlife Service (FWS), and emergency equipment in the Geological Survey (GS). The budget proposes to reimburse these costs through 1987 supplemental appropriations of $13.0 million for NPS, $2.8 million for FWS, and $0.6 million for the GS. Bureau of Land Management and Bureau of Indian Affairs 1986 firefighting costs were funded in the 1987 appropriations act in the amounts of $83.0 million and $25.0 million, respectively.

Kesterson Cleanup

The budget proposes a $5.6 million supplemental to initiate Kesterson Reservoir and San Luis Drain cleanup activities by the Bureau of Reclamation. These costs will be financed by a transfer of $5.6 million in unobligated balances from the Bureau's Loan Program.

Other Supplementals

Other supplemental appropriations requested for 1987 are $2.0 million within the Geological Survey for the development of the Financial Integration Review for Management (FIRM) accounting system which has applicability throughout the Department and $4.6 million for the U.S. Park Police to provide for increased security, additional uniformed officers, and improved facilities and equipment.

In addition, transfers are proposed in the Bureau of Land Management ($36 thousand) and the Office of Surface Mining ($1.3 million) to cover increased pay and retirement costs.

Land Acquisition Rescissions

As discussed previously, 1987 budget authority for land acquisition in the amount of $94.0 million is proposed to be rescinded in order to assist in

meeting deficit reduction targets in 1988 and beyond. The amounts by bureau are: National Park Service (NPS), $64.5 million; Fish and Wildlife Service, $26.8 million; and Bureau of Land Management, $2.7 million. Additional rescissions in NPS include $3.2 million in NPS prior year unobligated balances and $30 million in land acquisition contract authority provided by the Land and Water Conservation Fund Act.

Construction Rescissions

The budget also proposes rescissions of $106.6 million in 1987 budget authority for construction. These rescissions will also assist in deficit reduction. The amounts by bureau are: Bureau of Land Management, $1.6 million; Fish and Wildlife Service, $23.2 million; National Park Service, $59.0 million; and Bureau of Indian Affairs, $22.8 million.

Other Rescissions

The budget requests rescissions of $15.0 million for Historic Preservation and $54.0 million in various bureau operating accounts. The amounts by bureau are: Bureau of Land Management, $6.5 million; Bureau of Mines, $16.6 million; Fish and Wildlife Service, $20.5 million; National Park Service, $8.0 million; and Territorial and International Affairs, $2.5 million.

Management Improvement

The Department has carried out and is actively pursuing a wide range of initiatives aimed at improving the efficiency and effectiveness of its operations, organizations and services. All bureaus of the Department participate in these initiatives which include Department-wide improvements of administrative and program functions. Savings are estimated at approximately $30 to $40 million by FY 1988, which will be redirected to program areas rather than used for budget reductions. Some of the Department's major management and productivity improvement initiatives include:

- Improving and Consolidating Organizations - such as reorganizing the Bureau of Land Management state office in Alaska by eliminating one organizational layer; increasing efficiency of the Bureau of Reclamation by decentralizing and/or consolidating selected functions and organizations; consolidating the water quality laboratories and combining the map distribution operations of the U.S. Geological Survey; changing the offshore organization of the Minerals Management Service to reflect changes in the oil leasing program; and consolidating warehousing across bureau lines, where feasible.

- Improving Operations and Maintenance - such as implementing a National Park Service Maintenance Management System by automating and standardizing management of maintenance operations in all parks; improving the Bureau of Indian Affairs facilities operations and maintenance program by increasing the level of contracting; improving the maintenance of Indian roads, thereby reducing the need to reconstruct roads; and reducing costs associated with Department-wide management of motor vehicles.

- Utilizing Automated Technology to Improve Program Delivery and Achieve Efficiencies - such as introducing computer-aided design and drafting to improve the efficiency of U.S. Fish and Wildlife engineering functions and implementing management information systems in the Fish and Wildlife Service and the Office of Surface Mining Reclamation and Enforcement (OSMRE) to improve the timeliness and accuracy of program and support activities.

- Carrying Out Certain Functions through Private Industry - such as using private lending institutions through the Small Business Administration's Certified Lender Program to increase and improve credit services for Indians; contracting to manage and invest Indian monies held in trust by the Federal Government; using a private contractor to improve the accuracy and timeliness of abandoned mine land fee collection in OSMRE; and contracting with a private company to review the Department's unemployment compensation claims.

- Increasing Delegations of Authority - such as decentralizing certain equal employment opportunity functions from the Office of the Secretary to the bureaus and delegating to OSMRE field staff the authority to settle penalties for surface mining violations and to approve grant applications.

- Improving Program Service Delivery - such as establishing several pilot projects to integrate vocational and training services with general assistance programs to enhance employment opportunities for Indians and reduce dependence; reducing the indirect costs of design and construction in the Bureau of Reclamation; and using films, lectures and mass media to inform park visitors about what they can do to preserve and protect natural and cultural resources and ensure a safe visit.

I would also now like to discuss some of the highlights of the budget request for each Bureau.

Bureau of Land Management

The Bureau of Land Management (BLM) is responsible for the appropriate multiple use management of natural resources on 270 million acres of public lands located primarily in the Western States, including 90 million acres in Alaska. BLM also has the responsibility for mineral leasing and supervision of minerals operations on an additional 300 million acres of Federal mineral estate that underlie other surface ownership.

The 1988 budget estimate for BLM is $641.8 million, a decrease of $108.5 million compared to the 1987 appropriation level of $750.3 million. The 1988 estimate is a decrease of $97.7 million from the 1987 estimate of $739.5 million, which reflects proposed rescissions of $10.8 million. These rescissions will save 1987 and 1988 outlays and are consistent with the budget policy of meeting the Gramm-Rudman-Hollings deficit reduction target in 1988. The 1988 estimate includes $8.7 million for increased pay costs and $17.4 million for costs of the Federal Employee Retirement System.

Two factors account for the major decreases from the 1987 estimate to the 1988 estimate. The 1987 appropriation included $83.0 million to repay 1986 firefighting costs, which were initially paid with funds borrowed from other no-year accounts within the Department. No funding for emergency firefighting costs is requested in 1988. To finance these costs the Department will follow the normal practice of borrowing from other no-year accounts as authorized in the 1987 Interior and Related Agencies Appropriations Act. The proposal to share timber sale receipts from former Oregon and California (O&C) Railroad grant lands on a net, rather than a gross basis (-$28.5 million), accounts for the other major funding decrease in 1988.

The 1988 request for Management of Lands and Resources (MLR), the Bureau's principal operating account, is $408.0 million, a decrease of $69.2 million from the 1987 estimate. This appropriation includes funds for energy and minerals management, lands and realty management, renewable resources management, and their supporting services programs. As noted, the largest decrease from 1987 to 1988 in the MLR appropriation is due to the provision of emergency firefighting funds in the FY 1987 appropriation.

In 1988 the BLM budget provides for significantly increased emphasis on development of the Automated Land and Mineral Record System (ALMRS) with proposed total funding of $13.5 million within both the Lands and Data Management budget activities. The 1988 request represents an increase of $8.6 million over the 1987 estimate for ALMRS and is a major factor in the increases requested for these activities. The increased funding will be used for accelerated data collection, for software, and for acquisition of equipment.

Also within the MLR account, $84.0 million is requested for energy and minerals management, an increase of $6.2 million from the 1987 estimate. The increase is mostly related to additional pay and retirement costs. Funding for the oil and gas program is continued at the 1987 level, reflecting the Department's commitment to support domestic energy exploration and development. A program increase of $0.2 million in the mining law activity is intended to help

eliminate the backlog of compliance inspections of mining operations on public lands.

An increase of $4.3 million over the 1987 estimate is requested for the Lands and Realty Management Program, for a total 1988 request of $45.5 million. The request reflects a portion of the ALMRS project funding increases as well as savings projected in the rights-of- way and Alaska lands programs. The 1987 estimate includes a rescission of $1.0 million from the Alaska Lands Program, representing a reduction in conveyances and submerged lands inventories.

Approximately $114.1 million is requested for renewable resources management, a decrease of $5.1 million from the 1987 estimate. This decrease will be reflected in the elimination of certain timber sale activity on public lands and low priority watershed projects, a reduction in wild horse and burro maintenance costs, and a reduction in wildlife habitat management plan development and implementation. In recreation resources and grazing management, the elimination of some one-time 1987 costs is also planned. The cadastral survey program will decrease by $0.7 million from the 1987 estimate, which includes a proposed rescission of $2.0 million for cadastral surveys in Alaska. An increase of $1.7 million in 1988 is requested to improve the maintenance of facilities owned and operated by the Bureau.

Consistent with the past two budgets, a legislative proposal for the interchange of BLM and U.S. Forest Service lands will be sent to the Congress in early 1987. No funds for the interchange are requested pending Congressional authorization.

The 1988 request for operations of the Oregon and California (O&C) Railroad grant lands is $53.9 million, a decrease of $0.6 million from the 1987 estimate. This decrease will be accomplished through a reduced level of timber sale offerings and deferrals of projects related to lower priority wildlife, recreation and transportation maintenance efforts.

Also included in the budget is a request of $8.5 million for range improvement work, a decrease of $0.7 million from the 1987 estimate. This decrease is based on a policy that would fund range improvements at a level equal to 50 percent of the receipts collected from grazing on public lands. The 1988 budget includes $105 million for Payments in Lieu of Taxes to local jurisdictions that contain Federal lands, providing full funding for this program.

Minerals Management Service

The Minerals Management Service (MMS) has responsibility for collecting and accounting for royalties and other mineral revenues due from Federal and Indian leases, both onshore and offshore, as well as leasing and supervising the development of mineral resources on the Outer Continental Shelf (OCS). As one of the largest collectors of revenue for the Federal Government, MMS will account for an estimated $5.2 billion in Federal receipts in 1988, including $4.3 billion from OCS bonuses, interest, rentals and royalties and $0.9 billion from onshore mineral leasing.

The 1988 estimate for MMS is $559.2 million, a decrease of $36.2 million compared to the 1987 appropriation and the 1987 current estimate of $595.4 million. The 1988 estimate includes $2.3 million for increased pay costs and $5.1 million for costs of the new Federal Employee Retirement System.

The 1988 request for annual program operations is $168.6 million, an increase of $7.9 million over the 1987 estimate of $160.7 million. Within the total 1988 request, increases of $9.5 million, due primarily to the pay raise and retirement costs ($7.4 million), and increased rent costs ($1.9 million), are partially offset by program decreases of $1.6 million. Program changes for OCS include reductions of $0.8 million for environmental studies, $3.1 million for geological and geophysical data acquisition, $0.4 million for decreased activity in oil and gas leasing and $0.1 million for savings from a consolidation of headquarters offices. These are offset in part by an increase of $0.3 million to fund a joint data collection effort for Alaska boundary determinations.

For the Royalty Management Program, program changes result in a total increase of $2.8 million. These increases all relate to enhancing MMS's ability to increase mineral revenue collections, thus resulting in a net increase of revenue to the Federal Treasury. In the general administration area, a decrease of $1.0 million from one-time costs and annual savings relating to the headquarters office consolidation are offset partially by increases to process appeals and upgrade obsolete equipment.

The 1988 estimate of $390.2 million for payments to states includes the proposal discussed earlier that net, rather than gross, receipts from mineral leasing revenues be shared with the states. Net receipts are derived by deducting the Federal management and administrative costs of raising these revenues. Currently, most states receive 50 percent of these revenues without deduction of any of the Federal costs incurred to produce the revenues. Our sharing of net receipts proposal, which requires legislative approval, would save the Federal government an estimated $55.0 million in 1988.

The 1988 estimate includes $0.8 million in miscellaneous payments for: (1) interest on late payments to states and Indian accounts when mineral leasing revenues are not distributed as quickly as required by law; (2) interest payments to industry payors who successfully appeal royalty payment orders and are refunded all or part of the principal paid to and held by the Government; and (3) rewards to persons who provide information to the Government which results in the collection of additional mineral revenues owed to the Government.

Office of Surface Mining Reclamation and Enforcement

The Office of Surface Mining Reclamation and Enforcement (OSMRE) administers programs for the regulation of coal mining operations to protect the environment and for reclaiming lands damaged by past mining activity. OSMRE reviews, monitors, and assists state regulatory and reclamation programs to accomplish these objectives and carries out regulatory and reclamation activities in states that do not have their own programs and on Federal and tribal lands.

The 1988 budget estimate for OSMRE is $292.4 million, a decrease of $11.3 million compared to the 1987 appropriation. The 1988 estimate includes $1.2 million for increased pay costs and $2.6 million for costs of the new Federal Employee Retirement System. Within the total funds available in 1987, a transfer of $1.3 million from the Abandoned Mine Reclamation Fund is proposed to cover increased 1987 pay and retirement costs in the Regulation and Technology appropriation.

The 1988 request for the Regulation and Technology appropriation is $105.6 million, an increase of $4.3 million over the 1987 estimate. This increase will enable OSMRE to increase its technical support and oversight of state regulatory programs and improve its Federal enforcement capability. Major increases include $1.0 million for regulatory program operations to enable the bureau to conduct data validation to assess expanded state oversight responsibility for implementing the Applicant Violator System (AVS), and $2.8 million for OSMRE to maintain and expand the AVS. OSMRE must update its data processing system so that permit applicants are checked against state operators with outstanding violations. The AVS will incorporate state data to assist OSMRE in ensuring that such violators do not receive new mining permits.

The 1988 budget includes a $2.3 million increase for automatic data processing (ADP) development and systems support. When combined with the requested increase of $1.1 million in the Abandoned Mine Reclamation Fund for the same purpose, OSMRE is proposing to devote $3.4 million for the development of an integrated computerized support system that links both regulatory and reclamation information. This network, known as the Coal Data Management Information System (CDMIS), will merge the existing collections management information system, the abandoned mine land fee collection system, and the AVS into a common database which will enable OSMRE to conduct its enforcement, fee collection, and financial management operations with greater efficiency and effectiveness.

The 1988 request for the Abandoned Mine Reclamation (AML) Fund is $186.8 million, a decrease of $15.6 million from the 1987 estimate. The request includes $150.7 million for non-matching state reclamation grants, which is a decrease of $9.9 million from the estimated 1987 level. The decrease is being proposed since a considerable amount of funding previously awarded to states is unobligated and thus remains available for reclamation projects. The 1988 proposed funding level will provide full administrative support for the states and allow them to initiate new land reclamation projects.

Consistent with previous requests, the budget reflects a decrease for the Rural Abandoned Mine Program (RAMP) administered by the Soil Conservation Service of the Department of Agriculture. The $0.5 million requested for RAMP is a reduction of $8.9 million from the current estimate and is sufficient to complete existing projects.

Fee compliance will increase by $2.1 million to a 1988 program level of $5.6 million. This increase will help to continue implementation of OSMRE's fee compliance auditing priorities and to assure effective use of AML fee data in the AVS. The auditing priorities will enable OSMRE to direct greater attention toward operators that owe significant amounts of AML fees.

A final budgetary proposal is appropriations bill language which would allow OSMRE to use monies collected from the imposition of civil penalties under the Surface Mining Act for the reclamation of lands currently ineligible for AML funding. Existing statutes require that civil penalties collected from violations occurring on lands mined after passage of the Surface Mining Act be deposited into the General Fund of the Treasury. The new language proposes that these collections, which are estimated to be $3.0 million in 1988, be applied toward the restoration of lands which were mined after passage of the Surface Mining Act in 1977 and are unreclaimed because of insufficient bonding or bond forfeiture. Since the civil penalties are collected due to violations of the Act that occurred after 1977, the Department believes their use to restore lands mined since 1977 is appropriate.

Geological Survey

The major missions of the Geological Survey (GS) are to undertake research, fact finding, and mapping and to disseminate the resulting information to the public to improve upon the knowledge of the extent, distribution, and character of water and other natural resources, and the geologic processes, structure, and hazards that affect the development and use of the Nation's land and physical environment.

The 1988 budget estimate for GS is $420.2 million, an increase of $1.1 million compared to the 1987 appropriation of $419.1 million. The 1988 budget estimate is a decrease of $1.5 million from the current 1987 estimate of $421.7 million. The 1987 current estimate reflects a supplemental request of $2.6 million which includes $2 million for the development of an improved financial accounting system for the Department and $0.6 million to replenish funds which were transferred under emergency authority to replace monitoring equipment.

The 1988 budget estimate includes $8.0 million for increased pay costs and $21.8 million for the costs of the new Federal Employee Retirement System.

The 1988 request for the national mapping program is $87.4 million. Within this total, funds are requested to continue support for the transition to an advanced digital cartographic system that takes advantage of emerging computer technologies. Support is continued at reduced levels for the small scale and special mapping, digital mapping, geographic information research and applications and Earth Resources Observation Systems programs. No funding is proposed for the side-looking airborne radar program because the technology has been demonstrated and applications data can be readily acquired from the private sector.

The request for geologic research and investigations is $164.8 million. Funding is provided for essential research related to geologic hazards such as earthquakes and volcanoes, energy resources, cooperative geologic mapping,

geomagnetism, and mineral resource surveys. No funds are requested for investigations of coastal erosion processes in 1988.

The 1988 request includes $137.2 million for research and investigations to appraise the nation's water resources and to provide water data necessary to develop and manage these resources. Support for the National Water Quality Assessment Pilot Program continues for the third year. The 1988 funding level is $4 million. Funds are included in both the Federal and Federal/State cooperatively funded data collection and analyses programs, national water data and information access, regional aquifer analyses, core program hydrologic research, and nuclear waste hydrology programs at reduced levels. Funding for the Water Resources Research Institutes and Grants Programs and associated administrative costs is also proposed.

Bureau of Mines

The mission of the Bureau of Mines (BOM) is to help ensure that the Nation has adequate and dependable mineral supplies for economic, security, and other needs. The Bureau collects, analyzes and publishes statistical and economic information on all phases of mineral resource development and analyzes the effects of public policy alternatives, including proposed new regulations, on mineral supply and demand. Research is conducted to improve the technology used for the extraction, processing, use, and recycling of the Nation's mineral resources at acceptable social, environmental and economic costs.

The 1988 budget estimate for the Bureau is $119.1 million, a decrease of $19.5 million compared to the 1987 appropriation of $138.6 million. The 1988 estimate is a decrease of $3.0 million from the current 1987 estimate of $122.1 million, which reflects a proposed rescission of $16.6 million.

The 1988 budget estimate includes funding of $2.4 million for increased pay costs and $5.4 million for costs of the new Federal Employee Retirement System.

The 1988 budget decrease is consistent with the Administration's past proposals and results from channeling the Bureau's unique research and analytical talents toward several current and emerging problems significantly affecting global competitiveness of the domestic mining and minerals industry while eliminating lower priority efforts. The request includes $29.1 million for minerals information and analysis, $70.8 million for minerals research, and $18.8 million for general administration. Within the $70.8 million for research, the Bureau will conduct research related to the Abandoned Mine Land Reclamation Program at a cost of $1.9 million. This function was transferred to BOM from the Office of Surface Mining Reclamation and Enforcement as the result of FY 1987 Congressional action.

Funding is not requested for the 32 Mineral Institutes in 1988, and $16.6 million appropriated in 1987 for mineral research, mineral investigations, and the Mineral Institutes Program is proposed for rescission.

As outlined earlier, the Administration proposes to sell to the private sector the Bureau's helium refining and distribution facilities. Under this proposal, the buyer will provide ready access for Federal agency needs by withdrawing Federally owned helium from existing reserves. It is estimated that the sale will realize $50 million. The existing debt to the Treasury, which financed the acquisition of the helium reserve, plant, and equipment, will be forgiven under legislation to be proposed to the Congress and all future revenues from the sale of helium to Federal agencies will go to the Treasury. The Bureau of Mines will continue to conduct its helium resource assessment activities under the Mineral Data Analysis Program.

Fish and Wildlife Service

The Fish and Wildlife Service has a principal Federal responsibility to conserve, protect, and enhance fish and wildlife and their habitats. The Service manages the national wildlife refuge system of 434 units, 152 waterfowl production areas, and 58 wildlife management areas on more than 90 million

acres. In addition, the Service manages 71 fish hatcheries throughout the country.

The 1988 budget estimate for the Service is $631.8 million, a decrease of $54.7 million compared to the 1987 appropriation of $686.5 million. The 1988 estimate is an increase of $13.0 million above the current 1987 estimate which reflects proposed rescissions of $70.5 million and a fire supplemental of $2.8 million.

The 1988 estimate includes $4.2 million for increased pay costs and $11.4 million for costs of the new Federal Employee Retirement System.

The 1988 request for Resource Management, the Service's principal operating account, is $302.2 million, $5.2 million above the 1987 current estimate which reflects a rescission of $20.5 million. A total of $25 million of the 1988 request for Resource Management is derived from a proposed one-time transfer of receipts from the Sport Fish Restoration Account.

Within the total 1988 funding level for Resource Management, an increase of $1.2 million is requested for the Lower Snake River Compensation Fund to continue operational start-up at two new facilities and to begin operations at one new facility that is scheduled for completion in 1987. This increase will continue progress in restoring the anadromous fish runs of the Snake River.

The 1988 budget also requests level funding of $21.5 million for research and monitoring activities related to the effects of contaminants on fish and wildlife resources. The resolution of existing refuge contaminant problems, as identified in specific action plans, is also being addressed. The FWS will provide funding of $1.2 million to help identify and address irrigation drainage-induced water quality problems. To help offset these high priority Departmental responsibilities, the budget proposes several reductions including the termination of grants to States for anadromous fish, endangered species, Alaska subsistence, and a reduction to Accelerated Refuge Maintenance Management (ARMM).

Support for the refuges and wildlife activity will total $122.1 million in 1988. Within this total, funding for ARMM totals $3.2 million compared to $8.8 million in 1987. This brings the five-year cumulative funding level to $61.6 million for this long-term effort to eliminate maintenance deficiencies on national wildlife refuges. The initiative has enabled the Service to achieve substantial accomplishments and will be continued at a reduced level to alleviate specific maintenance problems. In addition, 30 percent of the entrance fees collected on refuges, beginning in 1987, will assist in offsetting the costs of operating visitor facilities.

Funding for the fish and wildlife enhancement activity is $41.7 million, including $12.9 million for endangered species in 1988. The reduction in this area is the elimination of $4.3 million for the endangered species grants to states. This program has contributed to active involvement by most States in endangered species activities and can be discontinued without termination of important recovery programs. The budget also proposes $37.5 million for the fisheries activity, approximately $2.8 million more than 1987, including the increase for the Lower Snake River Compensation Fund, the continued operation of all national fish hatcheries and continued fish production directed towards meeting highest Federal responsibilities.

The 1987 rescission of $20.5 million for Resource Management will be applied to the Fish and Wildlife Enhancement, Refuges and Wildlife, Fisheries and Research and Development activities in a manner consistent with the 1988 budget priorities.

The 1988 construction request for the Service totals $8.7 million, including $1.6 million for removal of asbestos material from the Patuxent Wildlife Research Laboratory, $5.5 million for the next phase of the Crab Orchard Dam renovation and $1.2 million for design of renovation needs at the Greenwood Lake Dam. The budget proposes a 1987 rescission of $23.2 million in construction funds to help meet the 1988 Gramm-Rudman-Hollings deficit target.

Permanent funding in the Migratory Bird Conservation Account (MBCA) will be more than double what it was in 1986 and will be used to acquire an estimated 52,000 acres of priority wetlands. Total estimated receipts in the MBCA are expected to be $37.6 million in 1988, an increase of $11.1 million over 1987 and $23.2 million over 1986. These increases result from several factors beginning in 1987. Based on recently enacted provisions in the Emergency Wetlands Resources Act, a full year of entrance and user fees at designated national wildlife refuges will be collected in 1988. Of these receipts 70 percent will be deposited into the MBCA for an increase of $3.5 million over 1987. The Act also provides for the deposit of import duties from arms and ammunition into the MBCA, an increase of approximately $5 million over 1987. An increase of $2.6 million is also projected chiefly due to the price of duck stamps being raised to $10 by the Act. Because of the increases in receipts, it will not be necessary to request appropriations under the Wetlands Loan Advance in 1988.

Although no funds are proposed in 1988 for new land acquisitions from the Land and Water Conservation Fund, $1.6 million is requested to allow the Service to continue an aggressive program of alternatives to fee acquisition. These alternatives include negotiating exchanges, easements, and donations for protection of important habitat. A rescission of $26.8 million is proposed in the 1987 land acquisition appropriation to assist in meeting the 1988 deficit reduction target.

Large increases in receipts in the Dingell-Johnson Federal Aid in Sport Fish Restoration Account (D-J) will continue in 1987 and 1988. These funds are used to assist the States in carrying out projects to restore, enhance, and manage sport fishery resources. These increases result from a re-estimate of the amount of fuel taxes paid by motor boat users, and a one-time technical adjustment in 1988 made to correct the amount of 1984 and prior collections. For 1987 receipts are estimated at $141 million, an increase of $18.8 million over 1986. For 1988 these receipts will increase by another $33 million to $174 million. It is proposed, in 1988 only, that $25 million of the additional D-J receipts be transferred to the Resource Management account, the Service's basic operating account, for program responsibilities related to wildlife and fisheries. This transfer will leave $149 million for D-J, an increase of $8 million over 1987.

The budget includes a 1987 supplemental request to transfer $5.6 million from unobligated balances in the Loan Program to initiate cleanup activities at the Kesterson Reservoir and the San Luis Drain in accordance with the plan submitted to the California State Water Resources Control Board on December 1, 1986.

The Department Irrigation Drainage Program will be funded at a total of $3.6 million with equal amounts budgeted in the Bureau of Reclamation, Fish and Wildlife Service, and Geological Survey.

National Park Service

The National Park System contains 338 areas which cover 79.6 million acres of land in 49 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands. The National Park Service has the dual responsibility of protecting the natural and cultural resources of these areas and providing for their use and enjoyment by the public. The Service also conducts programs that promote and assist outdoor recreation planning, preservation of cultural and natural resources, and environmental compliance and review along with other Federal agencies, state and local governments, and private organizations.

The 1988 budget estimate for the National Park Service is $799.6 million, a decrease of $138.3 million compared to the 1987 appropriation level of $937.9 million. The 1988 estimate is an increase of $23.6 million over the current 1987 estimate, which reflects proposed supplementals of $17.6 million and rescissions of $146.4 million of 1987 appropriations, $30.0 million in contract authority and $3.2 million of prior year appropriations.

The 1988 estimate includes $15.3 million for increased pay costs and $21.9 million for the costs of the new Federal Employee Retirement System.

The 1988 budget request proposes increased funding for park operations through enactment of permanent legislation which would authorize the Secretary of the Interior to establish new, and increase existing, park entrance fees and to use the revenues from these fees to supplement the operation and maintenance of park areas. By comparison, in the Interior and Related Agencies Appropriations Act for 1987, the Congress authorized a one-year entrance fee program for the Service. Under this authority, certain parks are exempted from entrance fees, certain price limitations have been imposed, and revenues resulting from the fees are being deposited into the general fund of the Treasury.

The Department's 1988 proposal will result in all revenues from recreation fees being made available to the Park Service. The legislation, if enacted, will provide additional financial support to the National Parks, to be derived from park users rather than from the general taxpayer.

The 1988 request for Operation of the National Park System, the principal operating account, is $714.8 million including $74.3 million that would be available from recreation fees. This $74.3 million would support a portion of the base funding for maintenance, repair and rehabilitation, and all base program funding for information publications, exhibit preservation and rehabilitation, visitor transportation systems, fee collection costs, cultural and natural resource preservation programs, and volunteers-in-parks. The recreation fees will also provide an increase of $3.5 million for park operations and other increases for information publications, volunteers-in-parks and for increased costs of fee collection.

Proposed increases in the 1988 estimate for Operation of the National Park System also include: $3.9 million for the U.S. Park Police to provide for increased security, drug enforcement initiatives, improved facilities and equipment; $0.6 million for Natural Resources Management for development of a long-term monitoring program of ecosystems in the park system; $0.6 million for Cultural Resources Management to reduce backlogs in cataloging objects and collections and to develop more adequate cultural resource inventories; $0.75 million to cover start-up costs and expanded operations at Great Basin National Park; $0.35 million for improved grizzly bear management programs at Yellowstone and Glacier National Parks; and $2.7 million to cover increased costs of office space, communications and other administrative costs. The Department proposes to rescind the $8 million appropriated in 1987 for Steamtown National Historic Site and does not plan to finance this contractual aid in 1988.

The 1988 request for National Recreation and Preservation is $10.3 million, $0.3 million less than the 1987 estimate. The Service is proposing to reduce the amount of Federal involvement in public recreation programs that are carried out at the state and local level as part of the overall effort to help reduce the Federal deficit. Accordingly, technical assistance to states and local governments for recreation programs would be reduced and technical assistance to the states for river and trail conservation would be eliminated.

The proposed budget for construction is $31.0 million, an increase of $1.9 million over the FY 1987 estimate. The amount requested includes $4.7 million to be derived from the Visitor Facilities Fund. A total of 11 projects in 10 parks will comprise the construction line item program for 1988, including one project that will use monies transferred from the Visitor Facilities Fund. All projects address health and safety or resource protection objectives. The budget also includes a proposed rescission of $59.0 million of 1987 appropriations for construction. The rescission of funds for these lower priority construction projects will help meet overall deficit reduction goals.

The 1988 request to support the non-performing arts operations of the John F. Kennedy Center for the Performing Arts is $4.9 million, an increase of $0.1 million over the 1987 estimate.

A total of $16.0 million is requested for Land Acquisition, a decrease of $3.6 million from the 1987 estimate. Within this level, $6.1 million will be available for emergency and hardship acquisitions and to pay anticipated deficiency court awards. Remaining funds will be used to administer ongoing acquisition actions and the Land and Water Conservation Fund state matching grants awarded in prior fiscal years. The budget also proposes rescissions of $64.5 million in 1987 appropriations and $3.2 million of prior appropriations for lower priority land acquisition projects and state matching grants to assist in the goal of deficit reduction. An additional $30.0 million in land acquisition contract authority is also proposed for rescission.

Consistent with prior year budgets, no budget authority is requested for grants from the Historic Preservation Fund, a decrease of $9.3 million from the 1987 estimate. Beginning with a proposed rescission of $15.0 million in 1987 funding, the Administration would eliminate all direct Federal funding for the preservation of historic properties except for those properties that are part of the National Park System. Historic Preservation Fund grants to states are no longer vital to ensure that preservation activities continue. Federal support over the past 15 years has facilitated the establishment of a network of effectively functioning state preservation offices which can continue to operate without Federal assistance. The encouragement of private sector involvement in historic preservation through enhancement of economic and tax incentives has been highly successful.

The 1988 request eliminates direct Federal support for the Illinois and Michigan Canal National Heritage Corridor and the Jefferson National Expansion Memorial Commissions. In total, the two commissions were funded at $0.3 million in 1987.

The Administration is proposing a reauthorization of funding available from the Highway Trust Fund for park road projects. Under the proposed reauthorization, $75 million would be available for Park Service road projects in 1988.

Bureau of Indian Affairs

The Bureau of Indian Affairs (BIA) is responsible for managing and protecting natural resources on 52 million acres of Indian trust lands and for assisting tribes to serve 862,000 American Indians and Alaska Natives. It provides community services, operates or provides financial support to operate schools, maintains law enforcement systems, provides social services, and assists in farming, ranching, forestry and mining on reservations. These services are provided directly by the Bureau and through contracts with over 300 tribes.

The 1988 budget estimate for BIA is $1.444 billion, a decrease of $30.0 million compared to the 1987 appropriation of $1.474 billion. The 1988 estimate is a decrease of $7.2 million from the current 1987 estimate, which reflects proposed rescissions of $22.8 million.

The 1988 estimate includes $13.5 million for increased pay costs and $18.6 million for estimated costs of the new Federal Employee Retirement System. The Bureau's budget is the largest in the Department, comprising 23 percent of the total budget in 1988. The request of $1.444 billion includes $985.9 million in current appropriations and $458.0 million in permanent appropriations and trust funds.

For 1988, the Bureau proposes several program changes to better address the persistent economic and social problems on reservations. The Bureau is committed to becoming an "enabler" for Indian economic development and self-improvement rather than merely a "provider". The specific goals of this initiative are lower unemployment, a lower percentage of welfare recipients, lower alcohol and drug abuse, higher educational achievement levels and higher individual self-esteem among Indian people. For these gains to occur and the quality of life to improve on Indian reservations, there must be economic opportunities, a skilled and motivated work force, a healthy investment climate and a solid educational foundation. The bureau's budget for 1988 strives to achieve these goals while continuing to support Indian cultural values.

The 1988 request for Operation of Indian Programs, the Bureau's primary operating account is $910.2 million, $11.0 million below the 1987 estimate. The major program initiatives are included in this account.

During 1988 the Bureau will begin a concerted effort to gradually turn over operation of the remaining Federal Indian schools to tribal or public school systems in order to localize decisions and policies. The Bureau intends to retain oversight of the academic progress of these students, and to ensure that they have the opportunity to follow their cultural traditions. The Bureau is considering multiple options which include contracting with tribes or States, cooperative efforts among public, tribal and Federal schools, and possibly voucher systems in certain situations. All these options will be explored for the remaining BIA-funded schools whose students comprise about 10 percent of all Indian students.

The Bureau also proposes to implement in 1988, on a nationwide basis, a program aimed at enabling Indian individuals who receive welfare assistance to achieve sustained and meaningful work and skill development. This program will involve coordinating operation of the Housing Improvement, General Assistance, and Employment Assistance programs, without fundamentally altering their present missions but redirecting them in a manner that encourages and enables self-assistance. This proposed initiative will ultimately lead to higher individual self-esteem and will also accommodate tribal government efforts to benefit from their reservation workforce.

Other initiatives proposed in 1988 include establishing a flat administrative fee to cover indirect costs associated with tribal contracting under the Indian Self-Determination Act (P.L. 93-638). This fee will provide a more equitable distribution of funding for tribal overhead costs of operating programs. During 1988, the Bureau will also initiate a resources allocation effectiveness study which will provide an assessment of available resources and a productivity analysis of on-going programs on each reservation as a means of determining how equitably Federal funding is allocated.

Finally, the Bureau proposes to provide tribes additional means to maintain viable governments. One effort will provide eligible small tribes with greater financial support to sustain the essential functions of their governments. The second effort will provide specialized technical assistance to tribes whose ability to function as a government is threatened by critical conditions of indebtedness and related financial problems. These efforts are intended to enable tribes to achieve and maintain self-sufficiency. A total of $6.8 million will be available for this effort which is a $4.0 million increase over the small tribes program funded in 1987.

Other increases in the operating programs include $2.4 million for the Bureau's management of tribal trust funds and $2.4 million to improve the quality of contract, grant and personnel functions in the Bureau.

The major decreases proposed for Bureau operating programs include deleting $7.6 million which was included in 1987 for one-time training and curriculum development costs associated with drug abuse prevention. The 1988 budget also proposes a reduction of $7.5 million in direct funding for the timber sales program of which $5 million is to be offset by fees currently collected on sales, and a $3.2 million decrease in postponable Forest Development work. Also, a reduction of $7.9 million is proposed in funding operation and maintenance of existing facilities, based on anticipated demolition of unused buildings and better utilization of existing facilities.

The construction budget totals $57.9 million in 1988, a decrease of $7.9 million from the 1987 estimate. Funds in the amount of $32.4 million will be used to build one new school and to improve or repair existing schools. Also, $17.3 million will be used for Indian housing, emphasizing rehabilitation. Additionally, $8.2 million will be used for repairing hazardous dams and other costs related to irrigation construction. Once again, the Administration is proposing a reauthorization of funding available from Highway Trust Funds for Indian road projects. Under the proposed reauthorization, $75 million would be available for reservation road projects in 1988.

The 1988 budget also includes $13.6 million under the account titled Miscellaneous Payments to Indians. This total includes a $10.7 million payment to the Tohono O'Odham Nation (Gila Bend Indian reservation) and $2.9 million to cover the administrative requirements of the White Earth Land Settlement Act and the Old Age Assistance Claims Act.

Consistent with the Administration's policy to reduce spending in order to meet the 1988 deficit target set forth in the Gramm-Rudman-Hollings Act, a proposal to rescind 1987 appropriations for construction in the amount of $22.8 million is included. FY 1988 outlays of $11.4 million will be saved if this proposal is enacted. The proposal would rescind $7.5 million appropriated to construct Juvenile Detention Centers under the Omnibus Drug Supplemental Appropriations Act of 1987. In lieu of the $7.5 million proposed for rescission, funding in the amount of $5.0 million appropriated under the Omnibus Drug Supplemental Appropriations Act of 1987 will be used to construct emergency shelters in the Bureau's Drug Prevention Program. The proposed rescission would also reduce by $6.3 million the amount appropriated for Housing Construction to $16.3 million. Housing resources will be used to rehabilitate existing housing rather than construct new housing. The proposal would also rescind $9.0 million appropriated for the Navajo Indian Irrigation Project, the Gila River Farms/Sacaton Ranch Irrigation Project and the Fort McDowell Irrigation Rehabilitation Project.

Permanent appropriations and trust funds are estimated to be $458.0 million in 1988, an increase of $3.8 million from the current 1987 estimate.

Office of Territorial and International Affairs

The Assistant Secretary for Territorial and International Affairs carries out the responsibilities of the Secretary for the U.S. Territories of American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands, as well as for the Trust Territory of the Pacific Islands and the freely associated states of the Republic of the Marshall Islands and the Federated States of Micronesia (FSM). The objectives of the Office of Territorial and International Affairs are to promote the political, economic and social development of the territories and direct each toward greater self-government and self-reliance. In the case of the freely associated states, the objective is to administer and supervise continuing Federal programs and funds provided under the Compact of Free Association enacted by P.L. 99-239.

The 1988 budget estimate for Territorial and International Affairs is $291.0 million, an increase of $4.0 million compared to the 1987 appropriation of $287.0 million.

The 1988 estimate is an increase of $6.5 million above the 1987 current estimate which reflects a proposed rescission of $2.5 million of technical assistance funds. The 1988 estimate includes $66,000 for increased pay costs and $96,000 for costs of the new Federal Employee Retirement System.

The 1988 request for administration of the U.S. Territories is $61.9 million, a decrease of $13.8 million from the current 1987 estimate. The request includes $15.4 million for an operations grant to American Samoa (a decrease of $5.4 million attributed to increases in local revenue anticipated by the American Samoa government) and $5.5 million for construction projects in Guam, American Samoa, and the Virgin Islands (a decrease of $7.3 million). The 1987 construction program includes $1.1 million for the Mangilao Reservoir on Guam, $0.5 million for oil dock rehabilitation on American Samoa, $1.5 million for seawall construction on American Samoa, and $2.4 million for water system improvements in the Virgin Islands. Technical assistence funding is proposed at $2.2 million, and loan assistance for the Guam Power Authority will decrease by $0.4 million to $1.6 million. The covenant grant for Northern Mariana Islands operations and capital development is proposed to be $34.4 million, a decrease of $1.0 million. The budget reflects a policy of encouraging increased private sector participation in territorial development, while enhancing government efficiency and encouraging economic diversification of the islands.

An estimated $70 million will be provided to Guam and the Virgin Islands from anticipated Federal collections of income and excise taxes. This payment will be an increase of $5.0 million from the 1987 estimate of $65.0 million.

Approximately $14.8 million, a decrease of $52.6 million from the 1987 estimate, is requested for 1988 to fund the Trust Territory of the Pacific Islands. However, almost all of the decrease is attributable to the fact that funding for the Marshalls and the FSM is no longer included in this account. The $14.8 million requested for 1988 will provide $10.8 million for government operations for the Republic of Palau (an increase of $0.7 million) and $1.4 million for Trust Territory operations (a decrease of $3.8 million). The 1988 request also includes $2.6 million as a contribution for construction of a new capitol in Palau. Palau will continue to be administered under the Trusteeship agreement until such time as a conflict between the Compact of Free Association and Palau's constitution is resolved and the Compact is implemented.

For the Compact of Free Association, the budget request is $27.9 million. This will provide funding for the continuation of certain mandated Federal programs and services to the Marshalls and the FSM. Funding for most of the direct payments to these governments over the fifteen-year life of the Compact is backed by the full faith and credit of the United States and was permanently appropriated during 1986. The Compact came into effect and initial payments were made in 1987. Permanently appropriated funds for the Compact governments will total $116.4 million in 1988, an increase of $42.2 million over the $74.1 million provided in 1987.

Secretarial Offices

The budget requests for Secretarial offices total $93.9 million. This is an increase of $13.2 million over the 1987 appropriation and the current 1987 estimate for these offices.

The 1988 estimate includes an additional $1.9 million for increased pay costs and $3.5 million for the costs of the new Federal Employee Retirement System. Within the $93.9 million total, the Office of the Secretary, which provides executive direction and management for the Department, is funded at $51.0 million; the Office of the Solicitor, which provides legal services for all components of the Department, at $24.8 million; and the Office of Inspector General at $18.1 million.

Conclusion

In conclusion, Mr. Chairman, I believe this is a budget which should be approved by the Congress. This budget fairly meets our responsibilities and does not ignore our pressing needs. It helps put the overall Federal budget on a course of steadily declining deficits leading to a balanced budget.

I will be happy to answer any questions that you may have at this time.

INTERIOR BUDGET OVERVIEW

Secretary HODEL. Thank you, Mr. Chairman.

It has been a rare privilege for me to sit here and listen to other witnesses testify. I don't normally have that opportunity. Frankly, I found it very informative and encouraging on some of the issues which I have been speaking out on.

I do appreciate the chance to be here today. I have with me participants from the Department who I will introduce if I call upon them for assistance.

I would like to summarize briefly the statement which you have permitted me to put in the record.

The basic approach that I have taken this year in the budget has been to try to maintain the operational integrity of the programs in the Department of the Interior, the 10 bureaus. In order to do that under the tight budget restraints that we find ourselves in, we had to take cuts in other areas. Most of the cuts that we propose, Mr. Chairman, are consistent with the budget proposals that the administration has been submitting for the past 6 years. I say it that way, recognizing the Congress has not uniformly agreed with our proposals, but the proposals this year are consistent with that to a substantial extent.

There are some difficult proposals. I recognize the concerns. We have, for instance, proposed significant rescissions in the add-ons that were provided in the 1987 budget. We have done that pretty much across the board, Mr. Chairman, where we had moneys added in addition to those requested by the administration. That, then, is a consistent position with the proposals for the 1988 budget. The primary exceptions have been where we had already committed those funds or where we were in agreement with the add-on or where we found that the pay raise requirements would require keeping the funds which had been approved.

AUTHORIZING LEGISLATION

There are a couple of authorizing legislation matters which will be important to underlie the budget proposal. For instance, the entrance fees at national parks proposal in the budget is dependent upon either add-on language such as was in the 1987 budget or adoption of authorizing language in an authorizing bill. I believe that the proposal for the sale of the helium production facilities, not the helium that is in storage, I need to emphasize, but the helium production facilities is also dependent upon congressional legislation in order to permit us to go forward with that. However, I will check on that for the record.

[The information follows:]

HELIUM FACILITIES SALE AUTHORITY

Subsequent to the hearing, the Office of the Solicitor determined that additional authority to sell helium program assets is not necessary. That opinion was provided to committee staff separately.

REVENUE SHARING PROPOSAL

Secretary HODEL. There are a couple of other very difficult issues in this budget, Mr. Chairman. One has to do with the net revenue sharing proposal which has surfaced again. It has not been popular with the Congress in the past. The historic situation is that on the oil and gas lands of the West, the Federal Government, we collect the proceeds and provide 50 percent of the gross proceeds to the States. Of the remaining 50 percent we then pay the cost of collection and administration, and the balance goes into the Treasury. We are suggesting that it would be appropriate that the cost of administration and management and collection be collected first and that the balance be distributed 50–50 to the States and the Federal Government. Of course this has a net revenue effect on the States, many of whom are also suffering budget constraints. At the present time they are not happy with that proposal, but that is in this budget proposal.

DINGELL-JOHNSON FUNDING

Another item that has been received with some concern by Members of the Congress is that I have proposed, with regard to the Dingell-Johnson funding, that we would request a one-time appropriation from the Congress of $25 million from those collections to be spent for the operating account of the Fish and Wildlife Service.

If I may just give a brief history of that account. In 1985, $38 million was expended for this activity. In 1985 the Wallop-Breaux amendment was passed. It provided that additional moneys would be added to this account. Those additional moneys resulted in the fund reaching $121 million in 1986; this fiscal year we are anticipating $141 million; and in fiscal year 1988 we would expect $174 million, well over a 400-percent increase in the amount of money in this account. I don't have any other accounts in the Department that look remotely like that in terms of increase. I have suggested that we permit an additional increase to take place in 1988 but that it not be the full $174 million; that it go from $141 million to $149 million.

AVONDALE RESEARCH CENTER

There is one last comment that I should make, Mr. Chairman, before submitting to questions. I know that there is a major concern on the part of this committee and the staff and others with regard to House report language which related to the Avondale Research Center of the Bureau of Mines. I have to emphasize, and I hope that my conduct throughout my tenure in public office has been clear, that I have the highest regard for the Congress, for these committees, the chairmen, and for the relationship which we have.

The difficulty I found myself in is this. Responsible for the operation of the executive branch on the one hand, being advised that it was essential after 2 years of talking about and recommending that we be permitted to reduce the number of research centers in the Bureau of

Mines, that we reduce them from six to five, I was confronted with report language which said I could not do so without going forward with a report and further consultation on the subject. I felt that I was in a position where I had to proceed, recognizing, of course, had there been enactments in law it would have been entirely different. I would have been constrained, and appropriately so, by an act of Congress. I have been responsive to that.

We had a very similar situation with regard to the National Park Service reorganization where basically what we did was a realignment without significant budget consequences. We did not view that as requiring a reprogramming action.

My concern is that had I been asked subsequently if I understood the importance of making the change in the structure of the research program of the Bureau of Mines and I had answered yes and I had been asked, well, why then did you not do it, I would have had to say because there was report language. The answer to the next question obviously is, is that binding on you? The answer is no, it is not. We adhere to well over 100 requests or directions in report language wherever we possibly can, but I found myself in this case constrained not to. I regret that, but I think that it is a difficult situation that I must face up to.

With that, Mr. Chairman, I would be happy to try to respond to questions.

Senator BYRD. Thank you, Mr. Secretary.

REPROGRAMMING PROCEDURES

I hope we will be reminded that our reprogramming procedures also provide for executive branch flexibility. The bill language you referred to is restrictive, but the reprogramming mechanism permits the committee to deal with lump sum funds without excessive detailed instruction in committee reports. Because the committee then relies on the reprogramming to stay informed about deviations from the committee reports.

The guidelines are intended to represent a balance between overly restrictive bill language and an executive who may not wish to carry out the program provided for by the Congress.

The committee is concerned about the lack of compliance with our procedures. To continue a relationship along these lines may leave us with few options other than more restrictive language in future appropriation bills. I would want to believe that you would prefer not to have such restrictive language. I would also want to believe that you recognize that the committee can resort to more restrictive language and may very well resort to more restrictive language. It would be my hope that we would not need to do that, but if it requires that, we will do that. I would hope that you would think about this further, reconsider your position, and permit us to focus on the manner in which the National Park Service's Washington office is organized and staffed.

AVONDALE RESEARCH CENTER

The Avondale Center, as I understand it, and to which you have referred, is being closed because there are not enough research dollars available to support all of the centers now in operation. I believe that is the substance of your letter of January 7.

I understand from material provided by the Bureau of Mines that the closure will actually cost in excess of $1 million to implement. Since no funds were requested for this purpose and the Congress did not provide funds for the purpose, how would you propose to fund the closure costs?

Secretary HODEL. Through funds available to the Bureau of Mines, which have come primarily through the completion of contracts in the research area which did not need all of the funds.

I raised the same question, Mr. Chairman, as you might well imagine, anticipating that the committee would be interested in that very point. In doing so, I find that it has been customary procedure when a program is being ramped down to utilize the funds in that program account for the ramping down activity. If there are reductions in force, the personnel costs that are attendant upon reductions, moves of personnel and the like, are part of the program costs. So that has been the ordinary and customary manner of proceeding in such activities.

Senator BYRD. Are you using funds that come from unobligated balances from prior years?

Secretary HODEL. Yes, sir.

Senator BYRD. Are you suggesting that at the end of any given year the Department believes that it can use any unobligated funds in any way that it wishes?

Secretary HODEL. No, Mr. Chairman; I would not suggest that at all.

Senator BYRD. How much was unobligated at the end of fiscal year 1986 in the "Mines and minerals" account?

Secretary HODEL. Mr. Chairman, with your permission, I am going to request that Mr. Tony Itteilag, our budget officer, join me. Perhaps he can provide some of the detailed answers to those questions.

Mr. ITTEILAG. Mr. Chairman, there was certainly more than $1 million.

Senator BYRD. The amount was $6.906 million; is that accurate?

Mr. ITTEILAG. Mr. Chairman, we would agree with that. I am sure that is an accurate number if the staff has it.

Senator BYRD. When the fiscal year 1987 budget was sent to Congress a little over 1 year ago how much was assumed to be unobligated at the end of fiscal year 1986?

Mr. ITTEILAG. Mr. Chairman, we would not have that exact number with us, but it probably was somewhat along the lines of the amount that actually ended up unobligated. Each year's program in the research area is planned in such a way that normally there would be some money unobligated at the end of the first fiscal year of availability.

Senator BYRD. What was assumed to be unobligated at the end of fiscal year 1986?

Mr. ITTEILAG. Mr. Chairman, we could get the exact amount for the record. There would have been an assumption of probably several million dollars being unobligated, and that would not have been abnormal.

Senator BYRD. The figure shows a $2,000 unobligated balance available at the end of year. Do you have any comment as to why you were so wide of the mark?

Mr. ITTEILAG. No; I don't, Mr. Chairman.

Senator BYRD. So a total of $6.904 million was not used in the "Mines and minerals" account as originally anticipated. It is my understanding that the subcommittee staff asked on January 13, 1987, for a detailed listing of the savings by project and activity that comprise the $6.906 million unobligated balance at the end of fiscal year 1986. Is that list available at this time?

Mr. ITTEILAG. Mr. Chairman, I am not personally aware of that request. I would assume that if it has not been provided that it is not available as of this time.

Senator BYRD. When do you think it will be available? When can it be made available?

Mr. ITTEILAG. Mr. Chairman, at the conclusion of this hearing I will ask the Director of the Bureau of Mines when it would be available. We will provide it immediately upon its availability. I would think it ought to be available in short order.

Senator BYRD. We would hope to have that well in advance of our closing of the record of the hearing.

Also, may I suggest that if there were unobligated balances available that your table does not show, the table showing the figure $2,000, your estimate being one of several millions dollars, if you might indicate the information that would provide for any discrepancy in those figures, the subcommittee would welcome that.

[The information follows:]

FISCAL YEAR 1986 UNOBLIGATED BALANCES FOR BUREAU OF MINES

The Bureau's fiscal year 1986 unobligated balance at the end of fiscal year 1986 was $6.906 million, a lower figure than the average for fiscal year 1980–86. This amount consists of the following components:

Expired accounts.—$2.261 million is an account receivable on the Bureau's books resulting from closeout of a defaulted contract let to Anjomar, Inc., in fiscal year 1977 from the old Mined Land Demonstration Program. These are annual funds not available for reobligation, and will be returned to the Treasury when received from the contractor. Amount available for carryover on SF–133 is, therefore, $4.645 million as follows:

Health and safety technology.—$264,000 consisting primarily of funds recovered from contracts closed out (completed) during the year which were not re-released for obligation, and a SLUC rebate from the GSA ($69,000) resulting from lower than estimated charges for space rental (the Bureau's other programs also received this rebate—see below).

Mining technology—$1.686 million: "Headquarters resource conservation technology Contract" account, $834,000[1]; "Headquarters coal mining technology contract" account, $160,000[1]; "Headquarters metal/nonmetal mining technology contract" account, $75,000[1]; headquarters technical supervision and management, $245,000; Pittsburgh Research Center coal mining technology, $129,000; Pittsburgh Research Center controlling mine waste, $91,000; recoveries of prior-year obligations and SLUC rebate not reallocated, $135,000; and various research projects at Spokane and Denver research centers, $17,000.

Minerals and materials research—$2.316 million: "Headquarters contract" account (fiscal year 1985 and prior-year recoveries and carryover, $1 million reserved for potential center-closing expenses), $1.216 million; headquarters program administration, $257,000; unallocated fiscal year 1985 and prior-years carryover, $250,000; contract recoveries during fiscal year 1986 (unallocated), $161,000; unexpended balance from construction of Salt Lake City Research Center (not available for obligation—unapportioned by OMB), $144,000; SLUC rebate, $84,000; Albany Research Center common program services, $56,000[2]; Albany Research Center (various research projects), $50,000; Avondale Research Center common program services, $33,000[2]; Avondale Research Center (various research projects), $33,000; and various research projects and common program service accounts at other locations, $32,000.

Mineral institutes—$380,000.—Fiscal year 1985 and prior-year carryover ($322,000) and recoveries recorded during fiscal year 1986 ($58,000).

No work was deferred or canceled to generate these carryover balances. As indicated above, virtually all the funding released to the field for research projects or center common program services expenses was obligated for those purposes. The unobligated funds deriving from fiscal year 1986 appropriations primarily result from minor over-estimations of personnel costs resulting from lapses in filling personnel vacancies. In many cases, the funds made available from personnel lapse were used to acquire needed supplies, materials, and equipment. Contract account balances generally represent funds committed for contracts during fiscal year 1986 that could not be awarded during the fiscal year, and the funds were carried over until procurement action could be completed during fiscal year 1987.

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[1] Large contracts are generally administered by the Washington office.

[2] Common program services represent cost of operating the research centers, including salaries of the research director and administrative staff; rent, communications, and utilities; maintenance and repair; and other costs of operating the facility which are not direct costs of the projects carried out by the center. They are funded from the appropriations which fund those projects..

AVONDALE RESEARCH CENTER CLOSING

Senator BYRD. Since the cost to close the Avondale Research Center well exceeds the committee's $250,000 reprogramming threshold and the Department has not submitted a reprogramming request for the committee's approval, do you then, Mr. Hodel, intend to ignore this subcommittee's reprogramming guidelines?

Secretary HODEL. Mr. Chairman, I have not operated on the premise that we were ignoring the reprogramming guidelines in proceeding to close one of six laboratories within the line item of the budget for the laboratory activities. The programmatic activities of that section will continue; the programs which I believe justified the line item in the budget will continue; we think they will continue in a much more efficient manner and in a manner that is more economical by consolidating. We have not operated, Mr. Chairman, with any understanding, nor did I had any advice that this was, in fact, a violation of reprogramming guidelines. I would very much not like to be cast in that position, if at all possible.

Senator BYRD. There are funds available to continue the operation of the Avondale Research Center through the end of fiscal year 1987.

Secretary HODEL. Yes, sir.

Senator BYRD. There is no immediate need to close it. I would hope, Mr. Secretary, that the committee will have your cooperation and that you would not be inviting us to put our directives in restrictive bill language in the future. I think that would be a bad situation for your Department and for the committee as well. That seems to be where we are headed. I would like to have your comment.

Secretary HODEL. Mr. Chairman, I share your concern, and I would very much prefer not to be in that kind of a position. We have perhaps as many as 200 directives in report language. I think essentially we have an excellent record of compliance and recognition and efforts to cooperate with the committee.

In the case of the Avondale closure, the matter came up during the recess of the Congress. It was suggested that because of the economic efficiencies that we ought to proceed in spite of the report language. We concluded that we would not do that until the Congress was back in session, which is the process we then followed. We announced our intentions upon the return of the Congress. We notified the Congress and the committee that it was our intention to proceed in this fashion, recognizing that the Congress had the authority should it choose to do so to step in and say, no, we will not permit this to go forward.

In the absence of legal language, bill language, we felt that the burden on the executive was too great to explain why we would continue to ignore the obvious benefits to the programs involved of consolidation. So we concluded we ought to go forward and notify the committee and hopefully the committee would see the appropriateness of the action that we were taking because of the materials supplied and that the committee would acquiesce in the activity in spite of the report language to the contrary.

PHOENIX INDIAN SCHOOL

Senator BYRD. Mr. Secretary, Public Law 99–591, as passed by the Congress and signed by the President, includes a lengthy prohibition against initiating any action to close the Phoenix Indian School. Without objection, that language will be printed in the record at this point.

Provided further, That before initiating any action to close the Phoenix Indian school but not later than February 1, 1987, the Secretary shall submit to the Congress a report (1) on the school as required under section 1121(g)(3) of Public Law 95–561, as amended, including any warranted recommendations for the establishment of special programs at existing schools or the establishment of a new school or schools to be operated either by the Bureau of Indian Affairs or by a public school district to meet the needs of students from Arizona who are attending or might otherwise have attended the Phoenix Indian School; (2) on the Secretary's recommendation for the disposition of the property (including real property, supplies, and equipment) used for the school which recommendations may include the donation (with any restrictions on use and subject to a reverter for specified reasons the Secretary deems necessary or desirable) of some or all of the property to the State of Arizona, one or more local or tribal governments, or another Federal agency or the sale or exchange of some or all

of the property at fair market value and a recommendation for the use of any cash received for a sale or to equalize values in an exchange; and (3) documentation of the Secretary's efforts to consult with the affected tribes and to offer assistance to the tribes in planning for future educational requirements for those currently eligible to attend the Phoenix Indian School, including those students from the Phoenix area attending school in California. Provided further, That the Secretary shall take no action to close the school or dispose of the property of the Phoenix Indian School until action by the Congress affirming or modifying the recommendations of the Secretary.

Senator BYRD. The last sentence of the language reads as follows:

The Secretary shall take no action to close the school or dispose of the property of the Phoenix Indian School until action by the Congress affirming or modifying the recommendations of the Secretary.

In response to the provisions of the legislative passage, the Assistant Secretary of the Interior for Indian Affairs has submitted a report to the President of the Senate, dated February 3, 1987, which indicates that by March 1, 1987, the Bureau plans to notify the Phoenix Indian School Board that the education contracts for the Phoenix education personnel will not be renewed for the 1987–88 school year.

It is unlikely that the Congress will be in a position to affirm the recommendations of the February 3 report by March 1. Clearly, any notification to Phoenix Indian School education employees without prior approval of the Congress would, I am told, constitute a violation of the law.

There are some concerns that any premature closure action, such as notification of closure of the school, would cause education employees to begin alternative employment which would be disruptive to the future operation of the Phoenix Indian School should Congress decide to continue the operation of the school.

I would like to have your assurances that the Department will fully comply with the provisions of law and that there will be no further action taken to close the school until Congress acts in accordance with the provisions of the continuing resolution. May I have your comment?

Secretary HODEL. Mr. Chairman, we do concur. In the notice of February 3 to which you referred, Ross Swimmer, our Assistant Secretary for Indian Affairs, was requesting the acquiescence and support of the Congress. In that letter he has a sentence which reads:

Accordingly, an early response to our recommendation prior to March 1, 1987, would assist the Bureau in accomplishing an orderly closedown of the school at the end of the 1986–87 school term and avoid confusing the school board, students, and employees as to what their future would be.

I would hope, Mr. Chairman, that the Congress and this committee would concur in our activity. We now have a situation where because of the construction at very substantial Federal expense—$50 million for two high schools—we have built two high schools, one for Papago Indians, one for Hopi Indians, which substantially removes the student load from the Phoenix Indian School. The result is we are approaching a teacher-student ratio getting very close to 1-to-1.

We have looked at alternatives for the use of that school: a drug rehabilitation program. It is not well constructed for that. It is a clear example of where because of the course of time and pursuant to the

appropriations of this committee we have moved forward and the time has come now to bring a close to that activity and go forward in the new facilities.

I am hoping that the Congress will move quickly in this area and permit our Assistant Secretary to proceed. My understanding is that he, however, recognizes that the law provides that he may not bring about the closure without the approval of the Congress.

Senator BYRD. Congress, of course, will take the matter under consideration. Is it clearly understood by all that the law is the law and that the Department will fully comply with the provisions of law and that there will be no further actions taken to close the school until Congress acts in accordance with the provisions of the continuing resolution?

Secretary HODEL. That is my understanding, Mr. Chairman. I am sure that the employees, the school board, and the students are all well aware of the recommendation of the Assistant Secretary. The uncertainty can, of course, have a very destabilizing effect on the people involved. We do need to recognize that, though I do not think that constitutes an act on our part which is in violation of the point that you have made so very clearly to me.

Senator BYRD. I am glad for that recognition. I am sure that the students and faculty will welcome it.

Senator Reid.

Senator REID. Thank you very much, Mr. Chairman.

GREAT BASIN NATIONAL PARK

Mr. Secretary, as you know last year when I was in the House you testified against the park that was created in the State of Nevada and indicated that unless it were a certain size you would recommend to the President that the legislation be vetoed, which no one took seriously, because the President wouldn't veto the first national park created in this country in some 15 years. I hope that there is no carryover. I hope that you are out of the Senate race now and understand that election is over. I would hope that you would give your full backing to the park that is now created.

The reason I bring that up is that Congress last year when the park was created appropriated $1 million. This park is a park which Mr. Mott first recommended to be a park over 50 years ago when he was a park ranger. The budget that you have submitted does not follow the law that the Congress enacted and you have called for $750,000; that is, you are not going to spend $250,000 of that $1 million on this park. Could you tell me how the decision was made not to spend the $1 million on this park that is created in Nevada? The legislation called for $800,000 for development of the park and $200,000 for acquisition of land within the park. I thought $1 million wasn't enough, and now to hear you say you are trying to save 25 percent of that concerns me.

Secretary HODEL. Senator, I am looking at the document here which Mr. Itteilag has put before me, and I am having trouble. I don't find in

there the $1 million that you have referenced. I have no reason to dispute it. I don't see it here.

If I may read two sentences from this budget briefing statement on the subject of Great Basin National Park:

"Within available regionwide funds, $276,000 has been provided to date"—that is 1987—"on a temporary basis to facilitate the purchase of equipment as well as limited project and operational needs for 1987. To ensure adequate protection of the new resources and facilities for 1988 and beyond, the Service has proposed an operational increase of $750,000 and 10 FTE's for 1988."

I relate that to the comment you made about the $750,000.

Senator REID. Those two figures would work out to about $1 million as I understand what you are saying.

Secretary HODEL. Yes; but only $250,000 that we are talking about in this document for expenditure in 1987; $750,000 would be the proposed expenditure level in 1988. As I understand this document, it is a temporary funding in 1987, sort of a pickup.

Senator REID. I got these figures from Mr. Mott. Would you supply in writing at your earliest convenience a more complete answer?

Secretary HODEL. Yes; I would be happy to do that.

[The information follows:]

FUNDING FOR GREAT BASIN NATIONAL PARK

Section 5 of the Great Basin National Park Act of 1986 (Public Law 99-565) authorizes appropriations of $800,000 for development of the park, and $200,000 for land acquisition. In addition to these authorized amounts the Secretary has the authority to spend whatever amounts are necessary for the day-to-day operation of the site. Neither the $800,000 nor the $200,000 was appropriated in fiscal year 1987.

In the 1988 budget no funds are proposed for development or land acquisition at Great Basin National Park. The National Park Service is preparing a general management plan for the park that will serve as a guide for any future development and/or land acquisition. In the interim, the Service has taken steps to allocate sufficient operating funds. Within available 1987 funds $276,200 has been provided on a one-time basis to supplement the operating base of $262,800 that was previously budgeted for Lehman Caves National Monument, now a part of Great Basin National Park. These additional funds will be used to purchase equipment, complete various maintenance projects, and expand operations.

For 1988 the Service is requesting a $750,000 increase over the fiscal year 1987 level to cover additional startup costs and provide a permanent operating base that is adequate to meet the expanded workload and responsibilities. The total 1988 request for operating funds for Great Basin National Park is $1,022,500.

NATIONAL PARK SERVICE PERFORMANCE

Secretary HODEL. Senator, there was another reference in your comment. Let me assure you that I have no carryover problems with the park. I appreciate the spirit in which you made the remarks, and I would like to respond in kind and say I hope that we can do as excellent a job there as we have done at all the other parks. I am proud of the performance of the National Park Service. As you know, thanks to the park entrance fee bill we have been able to increase the funding for the operation of the national parks when most everything else has had

to be held steady or worse under our budget restraints. So I think we can continue to do a good job.

GRAZING FEES

Senator REID. In my brief review of everything I don't see any suggestion that you propose a grazing fee increase during this Congress. Is that true?

Secretary HODEL. That is correct.

RED ROCK RECREATION AREA

Senator REID. One other issue. Outside Las Vegas there is a BLM recreation area called Red Rock.

Secretary HODEL. I am familiar with it.

Senator REID. It is a beautiful place. In fact, you toured it that last year. It is one of the few outdoor recreational opportunities in southern Nevada, especially with the large population growth. Last year the conference report included $3 million to buy private land. Basically, the land is being purchased from the old Howard Hughes estate, Summa Corp. This land is around the scenic area. Without this appropriation they are going to develop this land and put in condominiums and expensive homes and basically ruin the solitude and the scenic quality of this area forever. The money in this conference report was in a sense an emergency appropriation because the land will be held for sale to BLM only for a short time. Summa said that this is part of their master plan, that they are going to go ahead and build it unless this money comes forward.

I find now that BLM has called for a rescission of this money. There are lots of very sensitive areas, but the southern Nevada area is one of the most rapidly growing areas in the country. It is a desert ecology and one of the few areas that can be set aside for recreational purposes. I think this is something that should be looked at very seriously. I would ask that this be looked at closely, because I think it disregards the intent of Congress and certainly is going to waste an area that need not be wasted.

Secretary HODEL. Senator, I need to refer back to a comment, in part, in the discussion that the chairman and I had. I am acutely aware that under the law and the rules that rescissions are not effective unless approved by the Congress. This is a proposal for a rescission. As I indicated to the chairman in commenting initially, in this budget we have made proposals for rescissions essentially across the board with regard to add-ons. If I may say, it is consistent with the 1988 budget proposal; it is consistent with the 1987 budget proposal.

There were add-ons. If we did not propose rescissions, we would have an anomaly in appearance in our budget. We would have a 1987 budget at a substantially increased level and a 1988 proposal which suddenly shows a sharp drop.

So we have, consistent with that, recommended rescissions. But as of March 14, if the Congress has not acted, then Summa Corp., and the

BLM would be able to sit down and negotiate, because that $3 million will not be rescinded and will be available. Where those rescissions do not take place it is our intention to expend the money in accordance with the directives of the Congress.

Senator REID. Mr. Chairman, I will just make one last brief comment.

ADMINISTRATION BUDGET POLICY

I know this is not your fault. The Secretaries of the various departments, based upon directives they have gotten from the Office of Management and Budget, have been directed to perform magic, which does not work in this business. I had the opportunity to ask some questions to the fish and game man yesterday. I just think that it is important that I make a statement that I think we should get back to the budgeting process. For the administration to come out with a budget proposal saying that they have met the guidelines of Gramm-Rudman is just without any credibility. Because it has only been done by virtue of this overused term "smoke and mirrors," a rescission here, all kinds of things there.

This is to make a statement on the record and certainly is not being critical of you. You and the other Secretaries have had to make these guidelines for I don't know whose benefit. Certainly it is not for our benefit. These smoke and mirror procedures when they come to reality just will not work.

Secretary HODEL. Senator, I certainly understand the point you are making and understand where you are coming from. There is no question that the size of the deficit and the dreadful concern about the deficit is driving many recommendations that my fellow Cabinet officers and I would prefer not to be in a position of having to make.

I had the privilege of sitting here and listening to some of the testimony earlier and hearing some of the cuts that have to be proposed in the Department of Energy. I think of the comparative sensitivity or significance between various departments and I am aware that it really is incumbent upon me to come forward with a budget which, if accepted by the Congress, would make the Department of the Interior's share of the Federal budget fit within the Gramm-Rudman guidelines.

One could say this is smoke and mirrors, because I know that you know that I know, et cetera, how this is going to be received. I recognize that. By the same token, it is a responsible budget. My problem is I have cases all over America that are—I won't say equal—of the same range or the same kind of concern about land acquisition, or about Indian schools, or about research offices and the like.

If we were not concerned about the deficit, if we could simply add unlimitedly to the burden on American taxpayers and the Federal Treasury, it would be much more pleasant to be here proposing to do all of these things. But we don't have that privilege, and that is the problem I face. I cannot place the burden on the Office of Management and Budget. I wouldn't have their job for all the tea in China or anyplace else.

Senator REID. I would just close by saying that I am sure that you in good faith offered this budget. The problem, however, is it is a small amount of money to purchase the land around Red Rock. With one B–1 bomber we could take care of all of your problems.

Secretary HODEL. Senator, I cannot quarrel with that. The fact is, I have said to my friend Otis Bowen on several occasions that my entire budget of $4.5 billion is within the rounding off error of Health and Human Services.

Senator REID. Thank you, Mr. Chairman.

Senator BYRD. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Thank you, Mr. Secretary, for your testimony. We will have a number of questions which will be submitted for response for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

Education

Question 1: Mr. Secretary, Public Law 99-591, as passed by the Congress and signed by the President, includes a lengthy prohibition against initiating any action to close the Phoenix Indian School. The section is as follows: "Provided further, That before initiating any action to close the Phoenix Indian School but no later than February 1, 1987, the Secretary shall submit to the Congress a report (1) on the school as required under section 1121 (g)(3) of Public Law 95-561, as amended, including any warranted recommendations for the establishment of special programs at existing schools or the establishment of a new school or schools to be operated either by the Bureau of Indian Affairs or by a public school district to meet the needs of students from Arizona who are attending or might otherwise have attended the Phoenix Indian School; (2) on the Secretary's recommendations for the disposition of the property (including real property, supplies, and equipment) used for the school which recommendations may include the donation (with any restrictions on use and subject to a reverter for specified reasons the Secretary deems necessary or desirable) of some or all of the property to the State of Arizona, one or more local or tribal governments, or another Federal agency or the sale or exchange of some or all of the property at fair market value and a recommendation for the use of any cash received for a sale or to equalize values in an exchange; and (3) documentation of the Secretary's efforts to consult with the affected tribes and to offer assistance to the tribes in planning for future education for those currently eligible to attend the Phoenix Indian School, including those students from the Phoenix area attending school in California: Provided further, That the Secretary shall take no action to close the school or dispose of the property of the Phoenix Indian School until action by the Congress affirming or modifying the recommendations of the Secretary."

I would like to call the last sentence of this passage to the attention of the Secretary: "No action shall be taken to close the school or dispose of the property of the Phoenix Indian School until action by the Congress affirming or modifying the recommendations of the Secretary." In response to the provisions of the legislative passage, the Assistant Secretary of the Interior for Indian Affairs has submitted a report to the President of the Senate dated February 3, 1987. This report indicates that by March 1, 1987, the Bureau plans to "... notify the Phoenix Indian School board that the education contracts for the Phoenix education personnel will not be renewed for the 1987-88 school year."

Mr. Secretary, it is unlikely that the Congress will be in a position to "affirm" the recommendations of the February 3 report by March 1, 1987. Clearly, any notification to Phoenix Indian School education employees without prior approval of the Congress would, I am told, constitute a violation of the law.

Further, there are some concerns that any premature closure action, such as notification of closure of the school would cause education employees to begin seeking alternative employment which would be

disruptive to the future operation of the Phoenix Indian School, should Congress decide to continue the operation of the school.

Mr. Secretary, I would like to have your assurances that the Department will fully comply with provisions of law, and that you will take no further actions to close the school until Congress acts in accordance with the provisions of the Continuing Resolution. May I have your assurances on that, Mr. Secretary?

Answer: No action will be taken to close the school or dispose of the property until Congress has acted on the Department's proposal. It should be noted, however, that all Bureau schools are funded on the basis of a formula in which the number of students in attendance is the primary component. The opening of the new schools at Hopi and Papago have reduced the enrollment at Phoenix Indian School, thus reducing funds available to that school. Staffing reductions in line with reduced enrollment will be necessary for the school to operate within its budget for the FY 1988 school year. It is only fair to the employees of the school that we give them as much notice as possible of the effect of these funding decreases which are not related to the proposed closing of the school.

Question 2: The FY '88 budget request for the Operation of Indian Programs (the Bureau of Indian Affairs' primary operations account) is $910 million, a decrease of $11 million below the FY 1987 level. In a Department of the Interior news release on the Administration's FY 1988 budget (January 8, 1987) the Interior Assistant Secretary for Indian Affairs (Mr. Ross Swimmer) discusses four "major initiatives" designed to foster "incentives and opportunities for self-improvement of both tribes and individual Indians."

One such initiative is characterized as "moving education away from Bureau control to local communities." The stated goal is to move management of Bureau of Indian Affairs schools to tribal or state school systems because Bureau of Indian Affairs students are three years below the national norm by the time they reach the 12th grade.

Some critics believe that moving responsibility for these students to the tribes and the states really constitutes Bureau of Indian Affairs abdication of its responsibility to adequately educate these students. How do you respond to those who argue that this proposal is really a budget cutting measure disguised as an effort to improve quality?

Answer: An increase of $8.4 million over the amount provided in fiscal year 1987 is requested for the Indian School Equalization Formula. The thrust of the initiative is to enter into tribal contracts for school operations, not to close the schools. Funds will continue to be requested in the out-years to support those students receiving their education through a contract school.

Question 3: Was this proposal discussed with the states, tribes and localities before it was provided? Are these entities willing and prepared to assume responsibility for educating these students? I understand from press reports that the Governor of New Mexico has indicated that he "hasn't reached any decision about his feelings on it." How do you respond to these concerns?

Answer: The initiative calls for consultation with affected tribes during FY 1987 and FY 1988, and the formal consultation process began with the submission of the budget request to the Congress. Approximately one-third of the Bureau funded schools are contracted schools. Encouraging additional tribal contracts, which we have been doing successfully for many years, is congruent with the policy guidance provided in Public Law 93-638, which is to provide the greatest possible local control over the operation of Bureau programs. Most state officials with whom the Assistant Secretary has had discussions on this initiative have indicated that if funds are provided for the school operations, they are willing to consider operating schools under contract.

Small Tribes Initiative

Question 4: One of the major Bureau of Indian Affairs budget initiatives for FY 1988, according to Bureau of Indian Affairs documents, is a program of "increased assistance to small tribes through revenue sharing." Would you please elaborate on how this revenue sharing proposal would work? By what authority would this "increased assistance" be allocated? Revenue sharing does not seem to be an item in the Bureau of Indian Affairs budget request.

Answer: The budget justification on pages 99 and 100 describes the general aspects of this initiative under the title "Small Tribes Initiative." The budget requests $5,900,000 to implement this program in fiscal year 1988. The authority for requesting these funds is provided in 25 U.S.C. 13 (The Snyder Act, November 2, 1921). Regulations will be proposed establishing the formula by which the funds will be allocated.

Drug and Alcohol Abuse

Question 5: The Bureau of Indian Affairs has proposed as one of its four major initiatives in the FY 1988 budget the "control of drug and alcohol abuse..." How much money are you requesting for this initiative? It would appear that you are asking for about a 50% cut in this area in FY 1987 (from $5.4 million in FY 1987 to $2.4 million in FY 1988). How does this budget cutback in the program to combat drug and alcohol abuse constitute a fresh initiative?

Answer: The $5.4 million provided in fiscal year 1987 included $3 million for development of curricula to prevent substance abuse. These funds were distributed and the curricula should be developed and in place for school year 1987/88. Existing school staff and counselors will be trained to implement the program, and costs will, therefore, be minimal once these start-up efforts for program development are complete.

Alcohol abuse and substance abuse are often results of underlying social and economic situations. In addition to providing treatment and preventive education programs, the Bureau initatives in employment development and self-assistance can be equally helpful in ameliorating conditions on many reservations where meaningful alternatives to drug and alcohol dependence do not currently exist. In addition to the funds requested to support counselors in Bureau schools, the Bureau will emphasize substance abuse training for judicial and law enforcement personnel within existing training programs.

Self-Assistance Initiative

Question 6: A fourth initiative in the FY 1988 budget involves an "economic self-assistance/self-help program which will reform the general assistance grant program..." How would this program work? Would the program result in any savings to the Bureau that can be measured in dollars and cents? How would tribes realize "savings achieved due to a decreasing percentage of grants paid out in general assistance?"

Answer: In view of the need to provide education and employment training in order to enable those individuals currently receiving general assistance to compete for employment opportunities, it is not anticipated that there will be any net savings to the Bureau in the next fiscal year as a result of this initiative. In the long run, however, moving individuals from the general assistance caseload to private employment will reduce the amount of the Bureau's budget which is required to support general assistance, thus making these funds available for possible redirection to other tribal priorities. The specific details of the program are currently being developed and will be provided to the Committee at a later date. Implementation will not occur until the normal rule-making process has been followed.

Coordination with the Indian Health Service

Question 7: How is the Bureau of Indian Affairs working with the Indian Health Service to assure that the Bureau of Indian Affairs housing construction budget is coordinated with the water and sewer construction budget request of the Indian Health Service?

Answer: At the program level, in order to effectively spend appropriated funds, there is regular and on-going contact between the Bureau's housing staff and the environmental services staff of the Indian Health Service. Due to fiscal constraints, neither the Bureau nor the Indian Health Service has requested funds for new housing construction or sanitation facilities for several years.

Contract Support

Question 8: Please elaborate for the record the Bureau of Indian Affairs proposal to require a fixed rate of 15 percent of eligible program dollars, to be paid to tribes for administrative costs. Have regulations gone into effect? How do the tribes view this proposal? A reduction in overhead costs in order to provide additional funds for program costs may be beneficial. Will this proposal result in additional funds for the programs or will it result, as some critics contend, in inadequate funding to properly manage Bureau of Indian Affairs programs with increases in waste and inefficiency?

Answer: The provisions of section 106(h) of "P.L. 93-638 require the Bureau to provide tribal contractors with at least the same amount of funding that the Secretary would use for his direct operation of a program. It is estimated that in addition to the funds provided in the various programs, the Bureau spends an additional 8 percent in overhead costs. The flat rate proposal would be sufficient to provide contractors with the total amount

the Bureau would spend in operating the program and provide an allowance for unique costs associated with contracting such as legal services, insurance, and financial management costs.

Regulations are currently being prepared for publication in the Federal Register. Once the public comment period commences, the Bureau will be better able to ascertain specific tribal objections. While some tribes would lose funds as a result of the flat rate, others would gain. The budget request is not premised on any savings attributable to this change. The flat rate would, however, enable both the tribes and the Bureau to more accurately project contract support requirements because only the volume of contracting would have to be estimated and consideration of changing indirect cost rates would no longer be necessary. A flat rate would also be more equitable, and would remove incentives to inflate overhead costs.

We understand there has been some criticism that this proposal would not take into account unusual or unique circumstances faced by some tribes. In response, it should be noted that one purpose of the small tribes assistance initiative discussed above is to make additional resources available to tribes that, because of their size and other unique circumstances, have an unusual need for increased administrative funding.

BLM Minerals Policy

Question 9: A few weeks ago, the Director of the Bureau of Land Management disavowed a draft minerals management policy that would have emphasized minerals development on BLM lands. Where did that draft policy come from? Who ordered it?

Answer: As part of a review of BLM policies that are related to planning in general, and specifically to issues related to the Bureau's Supplemental Planning Guidance, alternatives to existing policy positions were explored. The draft revised minerals policy was developed by staff in the Energy and Mineral Resources part of the Bureau. As is common with such proposals, the draft was then circulated to all BLM State Offices for review and comment.

Question 10: Do you think the draft policy, as outlined, was something that should have been implemented? Have you reprimanded the staff person who prepared it?

Answer: Following the Bureau Director's personal review of the draft statement and the comments received from the BLM field offices, a determination was made that the Bureau's 1984 minerals policy statement adequately balances BLM's multiple use responsibilities and hence the draft statement no longer merits any further consideration.

BLM encourages its professional staff to explore new ideas and innovative approaches to management. Often their ideas warrant further study and consideration and are circulated in the Bureau for review and comment. The Bureau has realized efficiencies in program management and has improved morale with such openess to new ideas and approaches.

Thus, the Bureau does not plan to issue reprimands or take other actions regarding this issue. I believe that such actions would be inappropriate.

Grand Canyon Overflights

Question 11: How should I apply your answer to the National Park Service Grand Canyon overflight issue? I am told that the career staff in the Park Service made a series of recommendations you did not find well founded. Do you feel a reprimand may be in order?

Answer: At my request, the Inspector General of the Department conducted an inquiry to determine the accuracy of the data presented in two National Park Service decision documents on the Grand Canyon overflight issue. The Inspector General's report found that the data base did justify a finding of actual or potential injury to the public health, welfare or safety but expressed considerable doubt as to the accuracy or reliability of data used to justify a finding of an actual or potential significant adverse effect on the natural quiet and experience of the park. Assistant Secretary William P. Horn then asked the Federal Aviation Administration to ban aircraft from the inner gorge of the Grand Canyon National Park; to install radar controls in and above the canyon and to join the Interior Department in research to provide data for future decisions on aircraft noise and safety decisions for the canyon area. The Park Service, at my suggestion, issued a response to the Inspector General's report. However, they took no disciplinary action against the authors of the decision documents, and I intend no further action in this regard.

National Park Service Fee Proposals

Question 12: Last year, a one-year program was implemented to expand the National Park Service fee program. You have proposed to continue this policy, with some minor changes. How would you summarize the changes you have proposed? Your proposal assumes revenues of about $74 million in 1988, up from about $52 million in 1987. What accounts for the increase in revenues? If we were to continue the same fee schedule as in 1987, would you anticipate similar revenues.

Answer: A brief comparison of the fee rates proposed for 1987 are summarized in the following table:

Comparison of Fee Rates--FY 1987 and FY 1988

	FY 1987	FY 1988
Single Visit Entrance Fees:		
Per Vehicle	$5 and $3	$10, $5, and $3
Per Person	$2 and $1	$4, $2, and $1
Golden Eagle Annual Pass	$25	$40

	FY 1987	FY 1988
Golden Age Pass	no charge	$10 (one-time)
Park Specific Annual Pass	$15 and $10	$25, $15, and $10
Number of Entrance Fee Areas	134	156

The $10 a vehicle fee will apply to 11 parks. The $5 fee is proposed for 15 areas, and 130 parks will charge $3 a vehicle or less. More than 180 parks will have no entrance fee in 1988.

Other major changes we are proposing include authorizing volunteers to collect fees and providing for a 60-day review period by the Congress of any changes to the fee schedule.

The increase in fee revenue is due to several proposed changes including an increase in the maximum fee to $10 a vehicle and $5 a person, increasing the price of the Golden Eagle Passport from $25 to $40, initiating a one-time charge of $10 for the Golden Age Passport, increased rates for selected user fees, expanded hours of collection, and expanding to number of fee areas from 134 to 156.

If the 1987 fee schedule is continued in 1988 we estimate that revenues would not exceed $62 million, $12.3 less that our proposed target of $74.3 million.

Question 13: Do you intend to pursue enactment of authorizing legislation, through the appropriate committees? What is your estimate of the likelihood of enactment.

Answer: We are proposing authorizing legislation through the appropriate authorizing committees. We believe that there is a very good chance permanent fee legislation will be enacted by the 100th Congress. There are currently four fee bills pending in the House.

Distributing of Net Versus Gross Receipts to the States

Question 14: The budget proposes that the Federal costs of managing and administering onshore mineral leasing be deducted from total revenues and that receipts be shared with the States based on the resulting net amount. Currently, 50 percent of gross receipts are shared with the States (except for Alaska). This will reduce the amount of receipts shared with the States by about $55 million.

Net receipts sharing is also proposed for the Oregon and California Railroad Grant Lands, resulting in a reduction of about $28.5 million to Oregon counties. I would agree that this is a budget cuttion proposal but I worry about the equities involved. Why should the State share be dependent on the costs of the Federal Government?

Answer: Historically, the States have shared the gross receipts of the onshore minerals programs without taking into accouut the Federal costs of obtaining and distributing those receipts. The onshore minerals programs have been funded entirely by the Federal Treasury, while the States have shared

only in the distribution of revenues. It is clearly equitable that the costs be shared by the direct beneficiaries of the program, rather than being borne by the general public as is currently the case.

Question 15: We all know that the Federal Government is, not a particularly cost conscious institution. What protection do the States have against the Federal Government from loading up those costs, thereby reducing the State share?

Answer: I disagree with the premise of this question. All of the bureaus of the Department of the Interior strive to deliver programs that are cost-effective and efficient, particularly in light of the Administration's concern for deficit reduction and as the result of stringent administrative budget levels for many years. To this point in time, the conceptual framework for cost sharing has been proposed. Ultimately, if this proposal is adopted, the Department will discuss its proposal with Congressional Committee staff and ensure that only appropriate costs are used in the cost sharing process. The intent of the proposal is equity in receipt sharing between individual States and the Federal Treasury.

Education Assistance Under the Compact of Free Association

Question 16(a): In short, Mr. Secretary, if the United States is trying to maintain the friendship of the freely associated states and maintain our foreign policy and defense interests and responsibilities in that region, why are we cutting off educational assistance to those states? As the Administration's "officer" responsible for Federal assistance in Micronesia, could you please explain what has happened to date; and how and why this cutoff of funds has been allowed to occur?

Answer: The Education funding situation resulted from a full legal review by the Office of Management and Budget (OMB) of the language contained in the Compact of Free Association (P.L. 99-239), the Department of Education Appropriation Act for FY 1986 (P.L. 99-178), and the FY 1986 Urgent Supplemental Appropriations Act (P.L. 99-349). When the Department learned about the OMB decision, Departmental staff immediately began working with OMB and Education officials to understand the basis for the decision, and to inform OMB of the decision's impact. In addition, representatives of the freely associated state governments were briefed fully. The Department and others have requested that OMB reconsider its decision, taking into account the management problems it has created for the governments and the political sensitivity of getting our new relationship with these governments off to a good start. It is our understanding that OMB has reconsidered the issue and the Administration will soon be proposing legislation to correct the funding hiatus by making Department of Education program funding from the Compact available sooner in fiscal years 1987, 1988, and 1989.

Question 16(b): Doesn't the Compact include a three year phase-down under Section 108(i)(2)--not a one year phase-down?

Answer: Section 105(i)(2) of Public Law 99-239, pursuant to Section 224 of the Compact of Free Association, authorizes a three-year phase-down of any Federal program which was providing financial assistance for education to the Federated States of Micronesia, the Republic of the Marshall Islands, or any institution, organization, agency, or permanent resident thereof as of January 1, 1985.

Question 17: Does the Secretary of State know about this? If so, what is his reaction?

Answer: Although the Secretary of State is probably not personally aware of the Education funding issue, the Office for Freely Associated State Affairs (OFASA), which is under the jurisdication of the Department of State, and heads the Interagency Group on Micronesia, is aware of the problem and has also written to OMB to register concern about the adverse effects of the decison and to request corrective action.

Question 18: Is the Secretary of Defense aware of the Administration's position?

Answer: Although we cannot speak for the Secretary of Defense, it is unlikely that he is personally involved in the issue. However, the matter was brought before the Interagency Group on Micronesia, which is comprised of representatives from the Department of the Army, the Office of the Secretary of Defense, the National Security Council, OMB, and others. Therefore, we believe the issue has received the appropriate attention at Defense.

Question 19: Mr. Secretary, I join my colleques, Senator Johnston and McClure, in asking if you would please look into this matter and advise the Secretaries of State and Defense and see what can be done to rectify this problem quickly. Perhaps a reprogramming or supplemental budget request is in order. Will you please try to develop a workable solution, lest we drive our friends into the arms of our adversaries? For the record, please provide the educational funding levels for FY '85, '86, and '87, and what is contemplated for the three year phase-down for FY '88, '89, and '90.

Answer: According to Department of Education records, total funding levels (formula and discretionary grants) budgeted for the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI) are as follows (in thousands of dollars):

	FY '85	FY '86	FY '87
FSM & RMI	$13,555	$ 4,646 *	$13,000

(* Reflects current funding lapse of $7,069,452.)

Section 105(i)(2)(A) of the Compact provides that the three-year phase-down of education funding is to begin in the year the Compact becomes effective (i.e., fiscal year 1987 rather than fiscal year 1988). That section also authorizes funding over the three years not to exceed the following levels (in thousands of dollars):

	FY '87	FY '88	FY '89
FSM & RMI	$13,000	$ 8,700	$ 4,300

Typhoon Damage

Question 20: Recently typhoon "Kim" has caused extensive damage in the Northern Mariana Islands. A devastating hurricane ("Tusi") has hit Samoa. It may be advisable to arrange for the FEMA-funded reconstruction effort to be enhanced with Department of the Interior funds so that those facilities so reconstructed would be better able to withstand future storms. For example, most of the wooden power distribution poles were destroyed. It makes little sense to replace these poles with new wooden poles which are likely to be destroyed in future storms. After a similar storm in 1976 in Guam, the power system was rebuilt using either concrete poles or underground lines which can be expected to survive severe storms with relatively little damage. It is my understanding that the Department of the Interior provided the necessary funding at that time so that the FEMA reconstruction effort could be enhanced beyond merely replacing wooden pole for wooden pole. Would you look into this matter, Mr. Secretary? I understand my colleagues, Senator Johnston and McClure, have expressed an interest in this matter also. A reprogramming or budget supplemental request from the Administration to take care of this may be in order and could save taxpayer funds in reconstructing after the next storm.

Answer: At the request of Senators McClure and Johnston, the Department requested on December 30, 1986 that the Federal Emergency Management Agency (FEMA) and the Government of the Northern Mariana Islands provide estimates on the costs of upgrading public facilities damaged by Typhoon Kim to make them more resistant to future storms.

On February 2, 1987, FEMA advised the Department that FEMA was only authorized to restore public facilities to their same basic condition prior to being damaged by the storm, and that FEMA funds were not available to assist on long-range mitigation programs. The agency was unable to provide any estimate of costs which might be necessary to upgrade public facilities in order to make them more disaster-resistant.

The Government of the Northern Mariana Islands has subsequently suggested that hardening of the power poles should be included in a proposal to upgrade their power system. An evaluation of the cost effectiveness of upgrading and hardening techniques has been included in the Saipan Power System Improvements Study. The cost for power system replacement and hardening is estimated to exceed $13 million.

The Government of the Northern Mariana Islands has not yet committed all of its Capital Improvement Program (CIP) funding which was included in the FY 1986 and FY 1987 appropriations as provided by the Seven Year Financial Agreement. These funds, along with local revenues, should be allocated by the Northern Mariana Islands government to make the necessary power improvements.

Trust Territory Government Deficit

Question 21: What is the Administration doing to eliminate the accumulated deficit of the Trust Territory Government? How many times has the Department requested funds to eliminate this deficit?

Answer: The Administration is considering various ways to resolve the $13.5 million Trust Territory Government deficit. The Department has twice requested funding to eliminate the deficit, but higher priority funding needs, coupled with scarce Federal resources, have heretofore prevented the item from being included in the President's Budget.

Question 22: Does the Department intend to pursue funding for this program?

Answer: The Department has proposed, and the Administration is considering, an FY 1988 budget amendment to fund the deficit, provided the funding can be obtained in such a manner as to not put unwarranted pressure on the already large Federal deficit.

Federal Funding Against Drug Abuse

Question 23: Please provide for the record a table showing, for each of the Territorial entities funded in the Department of the Interior's budget, the amount of federal funds for anti-drug activites, by activity and by fiscal year, for the budget year and the four previous years.

Answer: The Department is not aware of any Federal funds for anti-drug activites received by the territories. However, the Office of Territorial and International Affairs has telefaxed this request to the territorial governments and will provide a more detailed response under separate cover as soon as it is available.

Impact of Tax Reform

Question 24(a): What is the impact of the tax-reform bill on revenues of the various territorial entities? Will the new law cause unexpected shortfalls in revenues due to the relatively low incomes and large families of those affected?

Answer: Because the territories have, proportionally, a great number of lower income tax filings and returns that contain fewer itemized deductions, the 1986 Tax Reform Act rates will provide less revenue to the territorial governments. Guam at one time estimated this loss to be approximately $14 million.

Question 24(b): What can be done to remedy this?

Answer: The 1986 Act, for the first time, allows the territories to "delink" from the mirror tax system and set tax rates locally. This historic, and significant, decentralization of authority from the Federal to the territorial governments ensures that revenue need not be lost and that more appropriate tax codes can be created for revenue and investment purposes, particularly in the Pacific.

Question 24(c): Has a supplemental request been considered? Please elaborate.

Answer: No. Since tax authority now rests in the hands of the territorial governments, a supplemental budget request would be inappropriate on our part at this time.

Coal Resources

Question 25: The National Coal Resources Data System (NCRDS) is a program in the U.S. Geological Survey that offers grants to coal producing states so that they may input data into a National Coal Resources Data Base. This information generates assessments of coal quantity and quality by region, state, or county.

West Virginia has been an active participant in this program, however, funding has been reduced in recent years.

What impact does this have on the availability of estimates of coal resources in the United States?

Answer: A broad knowledge of the locations and amounts of the total coal resources of the United States exists and the resources are large. Data required to produce the information on coal quantity and quality needed for policy decisions with regard to future coal supplies exist for areas that are currently being mined or are already mined. Data from areas not currently being mined and from coal beds located in areas that may be accessible for near-term exploitation would be needed to determine the actual availability of coal and to acquire coal-quality analysis.

Question 26: Should we be faced with an energy crisis in the near future, would there be sufficient information available on the amount and location of our Nation's coal resources?

Answer: Sufficient information is currently available on the location and quality of accessible coal resources to serve the

short-term needs of the Nation in the event of a sudden energy crisis. The United States currently has excess coal-mining capacity.

Question 27: What is the status of the U.S. Geological Survey's pilot project in Eastern Kentucky to define the availability of low-sulfur coal resources?

Answer: This study will determine the status of available resources in Pike County, Kentucky, by estimating the total low-sulfur coal resources and then reducing that value to available resources by contracting coal which has been mined-out, coals too thin or too deep to mine, coals rendered unmineable by adverse geologic conditions (splits, cut-out, faults, etc.), coals in areas heavily drilled from petroleum, and coals adversely affected by other geotechnical parameters such as multiple beds in the same piece of ground. The results of this study will provide useful information for those responsible for policy decisions concerning coal, coal production, and the economics of coal producing areas of east Kentucky. The Kentucky pilot study will be completed in FY 1987.

Question 28: Would the same methodology be appropriate in West Virginia and other Eastern States?

Answer: Yes, the data currently being developed for a portion of Pike County may be extrapolated some distance, and thus be of value to West Virginia and other Eastern States, but only as far as the geologic conditions, the topography, and the general coal economy are relatively constant. Coals are found in a variety of geologic settings and it would, therefore, be necessary to conduct similar studies in other major coal producing areas where the coal characteristics differ from those in the area of the pilot study. Parts of southwestern Virginia and western Virginia may be well represented by the Pike County study, but others are sufficiently different that they would need to be individually investigated in order to evaluate available coal resources. Coal producing regions of central and northern West Virginia, Pennsylvania, Ohio, and Alabama are among those economically competitive, but geologically different locales.

Cooperative Geologic Mapping Program

Question 29: West Virginia participated in a cooperatively funded program with the Geological Survey in producing maps designed to evaluate specific geologic hazards, such as flooding. What is the status of this joint effort between the Geological Survey and West Virginia under the Cooperative Geologic Mapping Program (COGEOMAP)?

Answer: In 1986, USGS and West Virginia cooperated in a project to prepare detailed geologic quadrangle maps in the southwestern, coal-rich part of the State. The USGS investigators worked closely with State counterparts to exchange field geology techniques, with the result that two geologic quadrangle maps were prepared and submitted for publication. In 1987, the West Virginia scientists are continuing geologic

mapping independently and they will produce two more quadrangle maps. This cooperative project has been a good example of the COGEOMAP program goals being achieved; new geologic maps were prepared, and the considerable cooperation between scientists from Federal and state agencies augmented their respective capabilities.

Because floods are a known hazard in certain areas of West Virginia, the U.S. Geological Survey, the National Weather Service, and U.S. Army Corps of Engineers reviewed the flood-forecast operations and data input into the forecast model during the May 1984 flood on the Tug Fork River, West Virginia, and developed recommendations for equipment and data-collection upgrading. In March 1985, the installation of the improved flood-warning system in the Tug Fork River was completed, enabling data to be received via satellite.

Questions Submitted by Senator John C. Stennis

Research in the OCS and EEZ

Question 30: At the present time, little or no attention is being given to research and development of the technology required to explore, mine and process the mineral resources of our outer continental shelf in an efficient and environmentally acceptable manner. Does the Bureau of Mines have any plans whatsoever to pursue this area of research and, if so, what do those specific plans entail?

Answer: Bureau of Mines research in the minerals of the Outer Continental Shelf and the Exclusive Economic Zone includes characterization of seabed minerals, development of cost efficient methods to recover minerals from the ocean floor, and the development of seabed mining technology. The Minerals Management Service, U.S. Geological Survey, and National Oceanic and Atmospheric Administration provide the Bureau with most of the rock samples for its research.

The Bureau provides chemical, physical, and mineralogical characterizations of seabed minerals for the assessment of strategic and critical minerals found in cobalt-manganese crusts, placer deposits, and polymetallic sulfide deposits. This work includes tests on large samples to assess the methods for strategic and critical minerals recovery and to determine waste material characteristics. The Bureau also has been active in devising cost efficient methods to recover manganese, cobalt, nickel and other associated metals from seabed ores. This effort includes the investigation of techniques (such as gravity, magnetic, and electrostatic separation) as a means of upgrading identified seabed materials; the development of flotation techniques for recovering identified minerals from the matrix that surrounds them; and the initiation of tests to identify procedures to extract all the valuable metals or selected metals from unprocessed ocean crusts.

The Bureau and the U.S. Geological Survey have combined efforts in sampling the Johnston Island Exclusive Economic

Zone. Thus far, nearly eight tons of crust and the material directly underlying it have been collected for scientific and processing studies.

The Bureau also monitors domestic and foreign developments in the mining and processing of seabed minerals, and participates in information exchanges through conferences and published articles. Further, the Bureau recently completed two economic studies, one on sand and gravel and the other on placer minerals, to aid the Minerals Management Service in its effort to identify specific offshore areas for consideration as near-term lease offerings.

Department-wide extensive work concerning mineral resources on the OCS is on-going. In addition to the Bureau of Mines activities, the Minerals Management Service and the U.S. Geological Survey are conducting activities in related investigations, surveys and resource assessments on OCS.

Question 31: If no such plans are forthcoming, why has the Bureau of Mines chosen to ignore then need for this vital research essential for the development of this whole new frontier of our nation's natural resources?

Answer: As the outline of the Bureau's ongoing activities in this research area given above indicates, the Bureau has not chosen to ignore the need for this vital research, but is carrying out a broad spectrum of research activities to provide basic information required for economic and environmentally sound exploitation of seabed resources.

Questions Submitted by Senator Dennis DeConcini

Southwest Law Enforcement

Question 32: In the FY 87 Appropriation bill for the Department of the Interior and Related Agencies, the Congress added $200,000 to the U.S. Fish and Wildlife Service budget for additional law enforcement personnel for the Southwest Region. I held oversight hearings in Arizona last July, and was shocked by the Department's failure to devote adequate resources to fish and wildlife law enforcement needs in the southwest. Testimony by Fish and Wildlife Service personnel at the hearings indicated that a total of 4 people are given the responsibility for enforcing the Lacey Act, the Endangered Species Act, the Convention on International Trade in the Endangered Species and other authorities, for the entire southwest region covering 250,000 square miles, which includes about 600 miles along the Mexico border. The law enforcement budget in that region is badly understaffed. We added $200,000 to their budget, what I consider to be a very modest sum, to allow the Region to hire two additional law enforcement agents and pay for related law enforcement travel and expenses. Now, I learn that the Administration has proposed a rescission of these funds in its budget submission. Mr. Secretary, how can the Administration justify this type of action?

Answer: The Fish and Wildlife Service received the increase of $200,000 in FY 1987 to enhance the law enforcement program in the southwest by providing additional agents. In response to the direction of the Secretary concerning all increases in the Congressional appropriations in FY 1987, the Service was asked to review all of its activities including law enforcement for rescission proposals. Since the $200,000 increase was proposed to add three agents to the existing force, it was determined that it could be withdrawn without adversely impacting current staffing levels or on-going investigations. Therefore, the Service is proposing rescission of this increase.

Park Fees

Question 33. Mr. Secretary, I reluctantly went along with the temporary FY 87 fee increase for entrance to our National Parks because I frankly felt there was no other way to provide the amount of money necessary to keep our parks running at a level of service the public expects. I am concerned, however, that the Park Service has started charging $5.00 per vehicle for entry to the Petrified National Forest in Arizona. The fee had been $1.00 per vehicle. $5.00 is the same fee that is being charged at the Grand Canyon and Yosemite. The Petrified National Forest is a magnificent park, there is no denying that. However, to charge the same admission for Petrified that you are charging at full-service parks makes absolutely no sense to me. How was that $5.00 fee arrived at and is there any way of knowing what impact it is having on visitation so far?

Answer. The National Park Service developed a point-rating system based on the 6 criteria for establishing recreation fees included in the Land and Water Conservation Fund Act. Using this approach, the Service grouped parks into 3 categories, prime, intermediate, and standard and recommended entrance fee rates for 1987 of $10 a vehicle, $5 a vehicle, and $3 a vehicle respectively, based on recommendations included in an August 1982 study by the General Accounting Office, "Increasing Entrance Fees, National Park Service." The points assigned to Petrified Forest National Park placed it in the intermediate category with a proposed single visit entrance fee of $5.00 a vehicle. Language included in the 1987 Continuing Resolution, Public Law 99-591, capped all National Park Service entrance fees at $5.00 a vehicle. Thus, fees for prime areas, such as Grand Canyon National Park, which were targeted for a $10 a vehicle fee, were held at a statutory ceiling of $5.00 for 1987, the same rate established for intermediate parks. Our experience to date with the higher fee suggests that it is not having an adverse impact on visitation to Petrified Forest National Park.

Question 34. Are you proposing $10.00 for vehicle entrance to that Park in FY 88?

Answer. No, under our proposal for 1988 the entrance fee at Petrified Forest National Park will remain $5.00 a vehicle or $2.00 a person for visitors arriving by other means.

Questions Submitted by Senators Paul Sarbanes and Barbara Mikulski

Avondale Research Center

Question 35: In response to questions submitted during the hearing of January 29, before the Senate Energy and Natural Resources Committee, the Secretary has stated that "it is estimated that approximately $1 million will be required to relocate transferred employees, move supplies and equipment and cover other expenses related to closure of the Avondale Research Center. The funds to be used for the closure consist of prior year funds primarily derived from recoveries from completed contracts for research."

As the Congress has received no request for the reprogramming of funds for this purpose, under what authority is the Department planning to pay for this proposed closure?

Answer: The funds at question were originally appropriated for expenses of the Minerals and Materials Research program, and are being used for expenses of that program, of which closure of the Avondale Research Center is one. There will be no transfer of other funds available to the Bureau into the Minerals and Materials Research program for this purpose, nor will any Minerals and Materials Research program funds be transferred to any other Bureau program. The research activities currently being carried out at Avondale are being transferred, together with the staff performing the research, to other Bureau research facilities.

Furthermore, the Comptroller General repeatedly has ruled that restrictions on use of lump sum appropriations contained in committee reports are not legally binding unless carried over into legislation; e.g., 55 Comp. Gen. 307 (1975); 55 Comp. Gen. 812 (1976). As the former Secretary of the Interior, Bill Clark, stated in a letter to Chairman Yates, Subcommittee on Interior and Related Agencies, House Committee on Appropriations, dated May 26, 1984, there may be situations that require action without furthr consultation. The closure of Avondale is such a situation and is fully consistent with the Comptroller General's rulings.

Question 36: The Department has stated that the "relatively short notice [of the closure given to Avondale's employees] was motivated by the need to achieve maximum cost savings associated with the closure of the center." Since it will cost approximately $1 million for the closure, how does the Department anticipate achieving these cost savings?

Answer: The savings will result from lower costs of administering, maintaining, and operating five research centers rather than the previous six. It is true that there will be one-time costs involved in transferring those Avondale employees who chose to move, moving the supplies, materials and equipment, and separating those employees who chose not to transfer. However, it is also true that consolidation of the research

centers reduces overhead costs, increases operating efficiencey, and enables the Bureau to focus more of its resources directly on research.

Question 37: Avondale has always been considered one of the most productive Bureau research centers and highly responsive to the Bureau's mission, particularly in long range, high risk research. The high level of achievement and efficiency of the Center has been attributed, in part, to its location in the Washington area, where the presence of many universities and colleges offers excellent training facilities. In addition the location provides for very active associations with other government research laboratories, e.g., the National Bureau of Standards, NASA Goddard Space Flight Center, U.S. Geological Survey and Harry Diamond Laboratories. What, if any, consideration did the Department give to the location factor in its decision to close the facility?

Answer: The Bureau of Mines did consider the location factor in the decision process on consolidation of research centers. However, unlike the 5 other research centers, the Avondale Center was not physically located near a mining community and, therefore, closure of this facility had the least direct impact on local mining communities.

The Bureau determined that the consolidation of personnel and facilities could best be accomplished with the closure of Avondale, which had the smallest on-board staff of any of the Bureau's reserach centers. Employees at Avondale had the most likelihood of being relocated at other Bureau research centers or at the Bureau of Mines headquarters office or at other Federal facilities in the Washington area. In an effort to provide continuing employment and to avoid distruption of the Bureau's research program, all permanent professional employees at the Avondale Research Center were offered transfers to the other Minerals and Materials research centers. In fact, of the 43 full-time permanent employees and 6 other than full-time, 15 have accepted transfer offers, 4 have transferred elsewhere in the Bureau, 3 have accepted other than Federal positions and 6 have retired. Of the remaining employees, all but one intermittent employee was eligible for severance pay.

Questions Submitted by Senator James A. McClure

NPS Reorganization

Question 38. In the FY 1987 House report, the definition of a "reprogramming" was expanded to include proposed reorganizations. Even though the Senate report and the Conference report is silent on this matter, the expanded definition should be considered the current definition until specifically changed.

The recent reorganization of the Washington office of the Park Service has caused a great deal of concern. This concern surrounds the reorganization itself as well as the fact that the reprogramming guidelines were ignored.

While there is probably nothing constructive that the Subcommittee can do at this point to force you to submit a reprogramming, I do feel it would be beneficial if the Subcommittee be given the opportunity to actively participate in the reorganization.

Answer. The Department understands that the reprogramming guidelines issued by the Appropriations Subcommittees apply to reorganizations; and the Department attempts to comply with all of the Committees' directives whenever possible. However, due to a number of unfounded perceptions regarding the reorganization, a significant level of uncertainty was adversely affecting the morale of employees and their abilities to effectively and efficiently accomplish Park Service programs. Therefore, the Secretary and the Assistant Secretary for Fish, Wildlife and Parks felt that the circumstances in this particular case made it necessary for the reorganization to be consummated as promptly as possible.

We are willing to follow the guidance provided by the Subcommittee and we will cooperate with the Subcommittee except in very limited circumstances such as this particular matter. Regarding the guidelines on reorganizations, it would be helpful to the Department if we could work with the Committees on a more specific definition of what constitutes a reorganization subject to the reprogramming guidelines.

Bureau of Mines Avondale Research Center

Question 39: There has been a great deal of concern over the closure of the Bureau of Mines Avondale Research Center. Fiscal Year 1987 House report language requested an assessment be submitted and discussed during FY 88 hearings prior to any action being taken. While the Senate did not have any similar language, I note that the Avondale Research Center has been closed prior to FY88 House hearings.

While I am concerned that the Department did not completely follow the House directive, I have supported a consolidation move like this for some time. There are simply not enough dollars to justify that many research centers.

Could you please provide for the record a list of research at Avondale from the beginning of FY86 and its current status. Please include a list of ongoing research that will be transferred, concluded or cancelled.

Answer: A list of the Avondale Research Center projects conducted during FY 1986 and FY 1987 and their current status follows (all are Minerals and Materials Research projects unless otherwise noted):

Project Title	Current Status
Determination of Silica Particle Size Distribution in Respirable Dust Samples (Health & Safety Technology)	Transferred to Albany
Characterization of Ocean Floor Minerals	Transferred to Albany
Supercritical Fluid Recovery of Critical Materials	Transferred to Salt Lake City
Redox Control of Flotation	Transferred to Salt Lake City
Flotation Fundamentals	Transferred to Salt Lake City
Improved Efficiency Anode Technology	Completed FY 1986
Process Evaluation	Transferred to Headquarters in FY 1986
Fundamentals of Acid Pickling Processes	Completed FY 1986
Electrodeposition of Metal Composites	Completed FY 1986
High-Temperature High-Pressure Corrosion Resistant Materials	Transferred to Albany
Physical Chemistry of Corrosion	Transferred to Albany
Atmospheric Corrosion of Structural Materials	Completed FY 1986

Project Title	Current Status
Corrosion Behavior of Advanced Materials and Coatings	Transferred to Albany
Molten Metal Filtration Technology	Completed FY 1986
Gallium Recovery from High Volume Wastes	Completed FY 1986
Chemistry of Halides in Metallurgical Processes	Completed FY 1986
Rapid Scrap Identification, Sorting and Characterization	Transferred to Albany
Coalescence Mechanisms of Oxide Coated Metals	Completed FY 1986
Flame Smelting of Metallurgical Wastes	Transferred to Rolla
Strategic and Critical Metals Recycling Study	Transferred to Albany

Dingell-Johnson Trust Fund Transfer

Question 40: The Dingell-Johnson trust fund has grown from $38 million in fiscal year 1985 to an estimated $165 million in fiscal year 1988. As part of the Fish and Wildlife Service budget for FY 1988, you are proposing to transfer $25 million from the Dingell-Johnson trust fund to the Resource Management account. This proposed transfer is justified by the Administration because the trust fund has grown faster than originally expected.

As you know, these funds come from taxes placed on sport fishing equipment. The trust fund's growth is attributed to the expansion of the excise taxes on motorboats, and duties on fishing equipment.

In reviewing last year's hearing, I note that you made a specific point to tell the subcommittee that you learned your lesson in FY 1986 and did not propose a reduction in the Wallop-Breaux fund in FY 1987.

Is there something special about this proposal, Mr. Secretary that made you forget what you told us last year?

Have the states indicated to you that they will not be able to spend the increase in the fund?

Answer: Revenues in the Sport Fish Restoration Account are, as you stated, from excise taxes on fishing equipment, taxes on gasoline used in motorboats, import duties on fishing equipment and pleasure boats, and interest earned on investments. The actual revenues for FY 1987 were $141 million and are estimated at $174 million for FY 1988. A part of this estimated $33 million increase is the result of a revision in the percent used by the Treasury Department in transferring gasoline tax receipts from the Highway Trust Fund to the Aquatic Resources Trust Fund. In addition, there is approximately $11 million of previously unreported excise taxes which I anticipate will be available for use in FY 1988. When I appeared before you last year, these additional sources of funds were not anticipated. As it now appears, the estimated growth in this account will exceed our original projections by a considerable amount. Even after the transfer of $25 million, as proposed, there would still be an $8 million increase over the FY 1987 level. During a period of fiscal constraint when other programs are being proposed for reduction or no increase, it seemed that the use of $25 million of Sport Fish Restoration funds to offset Resource Management Appropriations was an appropriate balance between program growth and fiscal responsibility. The Resource Management account funds fisheries activities such as technical assistance, research, hatchery operations, and other assistance thata benefits these user groups.

The States, in general, have not indicated their inability to use the projected increase in funds. This is due, in part, to the two-year availability of these funds. However, as may be expected with any unanticipated large increase in grant funds, certain states may experience temporary difficulty in expanding their program to match the funding available.

Mineral Receipts: Net vs. gross

Question 41: For at least the sixth year in a row, the Administration is proposing to deduct onshore leasing costs of MMS, BLM and the Forest Service from Federal onshore mineral leasing receipts before receipts are distributed between the Federal treasury and the States.

I expressed my concern over this proposal to you a couple of weeks ago during hearings held by the Senate Energy Committee.

It is a simple matter of trust. The American people do not trust the Federal Government to only take relevant costs. Instead they expect some sort of an unexplainable formula to be used that will over estimate those costs.

I must admit that I am pleased to see that the Department of the Interior is able to keep costs at about 12 percent of receipts. Unfortunately, the Forest Service costs are 90 percent of receipts.

Obviously, these are different types of programs and I am not going to ask you to explain this discrepancy. I do want to point out the predicament and strongly suggest that you give up on this proposal.

Answer: As you noted, the Forest Service program differs from the BLM and MMS programs and the costs of these programs are not comparable. I can assure you that the intent of the Department's proposal is to allocate costs properly and fairly.

The Department continues to believe that net receipts sharing is a more equitable distribution than that under current law. Historically, the States have shared the gross receipts of the timber and onshore minerals programs without taking into account the costs involved in obtaining and distributing those receipts. The programs which produce these receipts have been funded entirely by the Federal Treasury, while the States have shared only in the distribution of revenues.

Presently, States receive 50 percent of the gross timber and onshore mineral receipts which the Department collects. An additional 40 percent of the onshore mineral receipts are deposited into the Reclamation Fund and are available to be appropriated by Congress for water development projects in the 17 Western States. The Federal program cost for administering the onshore mineral leasing program exceeds the remaining 10 percent of mineral receipts which are deposited in the Federal Treasury. We believe that the costs of the program should be shared by the direct beneficiaries of the program, rather than being borne by the general public, as is currently the case.

National Park Service Entrance Fees

Question 42: In fiscal year 1987, Congress authorized the National Park Service to collect entrance fees at certain National Parks. It was anticipated that these entrance fees would raise about 52 million dollars.

You are proposing to expand this formula in fiscal year 1988 to include some additional parks and to increase the fees. You estimate that this will raise about 74 million dollars.

Could you briefly explain the difference between the FY87 and FY88 proposals?

In glancing at the revenue estimates, it appears that the FY88 estimate is a little low when compared to the FY87 program. Do you agree or do you feel that the FY87 estimate was low?

Answer: The Service's current estimate for total receipts from all fees in 1987 is $52.8 million. Most of the projected increase over the 1986 level of $20.6 is the direct result of higher rates at current entrance fee parks, new entrance fees for 72 parks, and an increase in the price of the Golden Eagle annual pass. We believe that the $52.8 million figure is reasonable given the many unknowns involved with expanding the fee program. The revenue estimate for 1988--$74.3 million--was developed using the same assumptions as the 1987 figure with appropriate adjustments made for higher fee rates at 11 parks and the addition of 22 new fee areas. We have no basis for concluding that either figure is low. We are gathering data on visitation and receipts monthly, which we will provide to the Committee on a regular basis.

Bureau of Mines Helium Fund

Question 43: The Helium Act of 1960 authorized activities necessary to provide sufficient helium to meet the current and forseeable future needs of essential government activities. Because of the "sizeable domestic helium industry," the Administration is proposing to sell the helium facilities and assets (except the helium inventory) in fiscal year 1988.

Could you briefly explain the timetable and estimated value for this operation?

What sort of analysis did the Department perform prior to reaching the conclusion to sell?

What has been the reaction of industry to this proposal?

Answer: During the spring of 1987, a contract will be awarded to a private firm with the expertise to advise the government on the parameters of the proposed sale. Among other things, the firm will assess the estimated market value of the helium operation, outline the steps to be taken to sell the program's assets, and determine the requirements to be met to assure continued availability of stockpiled helium for government operations. At the same time, the Department's solicitor will provide advice on the legal ramifications of the proposed sale. These steps are expected to be completed by mid-July 1987.

Using the results of the assessment, private industry bids will be solicited through an invitation for bid. At the same time, an interim operations plan to supply helium for Federal customers will be implemented. The bidding process should be

completed within FY 1988. Finally, a plan will be prepared to address such things as the disposition of government supplies and equipment and the payment of any outstanding bills to complete the transition to operating the facilities by the successful bidder.

The Department has not yet conducted an exhaustive analysis of the ramifications of the decision to sell the assets of the helium program. However, the Administration's preliminary analysis indicated that the sale would be beneficial to the interests of the government.

To date, there has been no significant reaction from the industry to the proposed sale, either pro or con.

Arctic National Wildlife Refuge

Question 44: The Alaska National Interest Lands Conservation Act set aside more than 100 million acres of Federal lands in Alaska in conservation units. As part of this legislation, Congress required a further study of 1.5 million acres of the coastal plain for fish and wildlife resources as well as oil and gas potential.

Could you briefly explain the findings of the draft study recently released by Assistant Secretary Horn? Please include the revenue potential.

Answer: A draft of the report to Congress required by section 1002(h) of the Alaska National Interest Lands Conservation Act was circulated for public review and comment on November 24, 1986. The draft report identified a range of alternatives including leasing the entire area for oil and gas development; leasing a limited area; permitting additional exploration, including exploratory wells; taking no action regarding oil and gas activity but including the area in the comprehensive conservation planning process for the Arctic Refuge; or designating the coastal plain as wilderness. The report examines the potential environmental consequences of each alternative.

The draft report contains a proposed recommendation by the Assistant Secretary for Fish and Wildlife and Parks to make the entire coastal plain of the Arctic Refuge available for oil and gas leasing, with necessary environmental safeguards.

The Department's analysis of the geologic studies and surveys indicate a 19 percent probability that at least one economically recoverable oil field of 440 million barrels is present on the ANWR coastal plain, an extremely high percentage given the relatively small size of the coastal plain. If oil is present, a mean in-place oil estimate for the area (i.e., the average of the estimates of the amount of oil potentially located beneath the surface, without reference to recoverability) is 13.8 billion barrels.

The refuge coastal plain also has outstanding wildlife values and is perhaps best known to the public as part of the calving

grounds for the large migratory Porcupine caribou herd. Other species using the area include musk oxen, polar and brown bears, and many kinds of migratory birds.

The comment period on the draft report closed on February 6, 1987, and the Department is currently in the process of analyzing public comments and preparing the final report to Congress. Secretary Hodel will make his final recommendation after a review of the geological studies, biological studies, and public comments. Secretary Hodel's final decision and transmittal of the final report to Congress are expected in April.

The amount of revenue from ANWR depends on several factors--e.g., the amount of oil actually produced and the formula used for Federal revenue sharing. It is estimated that $38.9 billion (undiscounted 1984 dollars) in Federal revenue could be generated, if the entire ANWR coastal plain was developed under Federal leases and the mean recoverable resource was 3.2 BBO. This includes royalties, lease rental payments and corporate income taxes. It does not include transfer payments from the government or Federal revenue sharing to the State of Alaska. Some of the revenues will be shared with that State.

President's Commission on Americans Outdoors

Question 45: The President's Commission on Americans Outdoors completed its evaluation of national recreation requirements and opportunities and released a summary of its report last month. The final report, however, has not been released. Can you give us an idea of what the holdup is?

Answer: At the end of December 1986 and the beginning of January 1987, the President's Commission on Americans Outdoors forwarded to the President, and widely distributed to the public and the media, a summary report of the Commission's findings and recommendations concerning outdoor recreation resources. The Commission completed its full report on January 28, 1987, and terminated its activities on January 31, 1987. In order to save approximately $7,000 in typesetting costs, the full report is to be typeset on new equipment currently being installed at the Department of the Interior. The typesetting should be completed by the end of March, at which time we plan to forward the report to the Government Printing Office for printing. After printing, copies of the full report will be available in depository libraries and for public sale. A number of requests for copies of the full report have been made under the Freedom of Information Act. Those requests were honored with photocopies of the report.

In a pending lawsuit alleging violations of the Federal Advisory Committee Act (The Center for the Defense of Free Enterprise v. President's Commission on Americans Outdoors, No. C87-32, W.D. Wash.), the plaintiff has requested a preliminary injunction against release of the Commission's full report. The United States has opposed the plaintiff's motion for a preliminary

injunction and moved to dismiss the lawsuit. At this time, the court has not ruled on the pending motions.

Question 46: One of the proposals made by this Commission is to establish a one billion dollar fund for recreation. Obviously, it will be very difficult, if not impossible, to appropriate one billion dollars for this purpose. However, I would like to at least explore the possibility of dedicating part of the potential Arctic National Wildlife Refuge (ANWR) revenues for this purpose, if development of that area is authorized.

Would the administration support part of the development funds going toward the support of recreation?

Answer: Using a portion of the revenues generated from ANWR to support conservation goals has been raised during discussions about the ANWR report. I have not yet made any decisions about ANWR, including recommendations on the use of any revenues. However, I believe that some kind of allocation of any ANWR revenues to Federal conservation activities deserves serious consideration.

California OCS Lease Sale

Question 47: I think you and I both understand the frustration of the appropriations process dealing with the OCS moratorium year after year. It is clearly a problem that should be solved by the authorizing committees.

As part of this frustration, Congress created a negotiation team in Fiscal Year 1987 that did not solve the controversy but did provide you with the proper range of advice to proceed with a 5-year plan.

Could you briefly explain this California plan as well as the timetable for the Department's 5-year plan?

Answer: The Draft Proposed Final Program for Outer Continental Shelf (OCS) Oil and Gas Leasing offshore California covers the 5-year period from mid-1987 through mid-1992 and includes the following key features:

Size of Sales--The Presale Process. The proposed presale process is referred to as "focusing on promising acreage." In the case of OCS sales offshore California, the focus will reflect the geologic character of the OCS offshore California and the results of the extensive OCS consultation process. The amount of acreage actually offered for lease offshore California will be restricted not only for environmental reasons but also because of other ocean uses, including military operations offshore. A phased leasing provision concerning the Camp Pendleton amphibious assault area and the Encinitas Naval Electronics Testing Area is incorporated in the Draft Proposed Final Program. Each of those areas would be divided into two sectors; active leases would be allowed in only one sector of each at any one time. Only one of two tracts nearest shore in a sector could be leased at one time for the Encinitas area.

Schedule of Sales. The acceleration provision of the Proposed Program has been dropped. This provision contemplated a return from the 3-year cycle of sales to a 2-year cycle, if activated.

The Draft Proposed Final Program proposes five standard sales at a triennial pace: 1989 and 1992 sales are proposed for the Northern and Southern California planning areas; and a 1990 sale is proposed offshore Central California.

The first annual supplemental sale, tentatively scheduled to be held in late 1988, would offer a small number of blocks from any planning area other than the Central and Western Gulf of Mexico. Rejected and forfeited bid blocks and development blocks (including those susceptible to drainage) could be considered for offering. Consideration for offering could be given to blocks on which bids were rejected or forfeited during the preceding fiscal year. Should an annual supplemental sale not occur for any reason, a subsequent supplemental sale might include rejected and forfeited bid blocks which could have been included in the sale not held. A modification of existing Interior regregulations governing OCS sales is being developed for the implementation of supplemental sales. The publication of the proposed regulations is tentatively scheduled for early 1987.

Proposed Subarea Deferrals. The proposed deferrals in the Draft Proposed Final Program include deep water areas generally beyond the 900 meter isobath in all three California OCS planning areas and, in addition, the following areas:

Northern California: Coastal buffers offshore the Redwoods National Park Area of Special Biological Significance (ASBS), Trinidad Head ASBS, Kings Range National Conservation Area (the area offshore Cape Mendocino/Punta Gorda), and the Pygmy Forest Ecological Staircase.

Central California: A coastal buffer offshore the Kelp Beds at Saunders Reef ASBS, the Del Mar Ecological Reserve, and Gerstle Cove ASBS. The area offshore Point Reyes, the Point Reyes - Farallon Islands National Marine Sanctuary, offshore San Francisco Bay, and the immediate vicinity of Cordell Bank. A coastal buffer offshore the James V. Fitzgerald Marine Reserve. A coastal buffer offshore Point Ano Nuevo and Island ASBS and overlapping the northern portion of the Sea Otter Range. The large area offshore Monterey Bay and Big Sur. A coastal buffer south of the Big Sur proposed deferral, overlapping the southern portion of the Sea Otter Range and adjacent to the Mouth of Salton Creek ASBS.

Southern California: The Santa Barbara Federal Ecological Preserve and Buffer Zone. The Channel Islands National Marine Sanctuary. The area offshore Santa Monica from Point Dume to Point Fermin. A coastal buffer offshore Newport Beach and Irvine Coast Marine Life Refuges and Heisler Park ASBS. A coastal buffer offshore San Diego Marine Life Refuge and San Diego-La Jolla Ecological Reserve ASBS. The area offshore San Diego; and the San Nicolas Basin Navy Operating Area.

Fair Market Value. The fair market value element of the program would confirm the decision announced in the Proposed Program. The minimum bid would remain $150/acre as the basic approach subject to

reconsideration on a sale-by-sale basis. Likewise, current bid acceptance criteria would be retained as the basic approach, subject to sale-by-sale reconsideration.

Stipulations. It is intended that levels of protection similar to those recommended in Governor Deukmejian's proposal will be included in individual leases at the time of the sale. The Draft Proposed Final Program highlights all proposed stipulation topics for consideration during the sale-specific consultation process (in particular, the EIS scoping process pursuant to the National Environmental Policy Act and the consultations with the Governor at the time of issuance of the Proposed Notice of Sale required by section 19 of the OCS Lands Act) for OCS sales offshore California, including the following:

-- Governor Deukmejian's proposal for stipulations concerning: air quality; oil spills; transportation (pipelines); onshore facilities; fisheries; important biological resources; marine biota; discharges; oil processing; cultural resources; operations controls; hold harmless; hazardous dumpsites; navigation safety; water use; timing of operations; and protection of military areas.

-- Congressman Regula's proposal for stipulations concerning: air quality; oil spills; transportation (pipelines); and onshore facilities.

-- Congressman Panetta's proposal for stipulations concerning: air quality; oil spills, transportation (pipelines); onshore facilities; fisheries/biological resources, and discharges.

With regard to the timetable for the Department's 5-year plan, the Proposed Final Program will be submitted to Congress and the President at the end of April for a 60-day notification period, after which the Secretary may give final approval to the program.

BIA Initiatives

Question 48: In your opening statement, you indicate that the Bureau of Indian Affairs is proposing to implement a nationwide program emphasizing economic development by encouraging investment opportunities and job creation. This will be done by coordinating the operation of the Housing Improvement, General Assistance, and Employment Assistance programs. Could you expand a little bit on this proposal. How will coordinating three programs create jobs.

Answer: The program coordination referred to has to do with the self-assistance initiative. The Bureau's proposed efforts with respect to economic development are threefold: (1) to continue the Indian Business Development grant program, (2) to move some financing and credit resources from the Central Office to the field, and (3) to provide $2,500,000 for Business Opportunity Centers. The grant program, designed to aid both tribes and individual Indians, provides partial funding for business development costs while the remaining funds are secured by the applicant from non-Bureau sources. In fiscal years 1986 and 1987, it is estimated that this program has brought a total of approximately $69 million of business investment on Indian reservations.

The Bureau proposes to redirect $150,000 from the Central Office to establish field operations to decentralize credit and finance services and to enhance program delivery to Indian tribes and individuals. It is anticipated that this action will improve credit analysis and documentation of loan guarantee applications.

An increase of $2,500,000 is requested to provide additional management and technical assistance to potential and actual loan clients and grantees in assessing their proposals and to fund private sector contracts for business opportunity centers. Activities of the business opportunity centers will include: (1) identifying realizable business development opportunities; (2) reviewing proposal feasibility; (3) providing additional supporting data to strengthen a proposal; and (4) finding financial institutions or other private sector backers for an enterprise. By involving the private sector, monitoring the projects, and providing technical assistance, the enterprises of Indian tribes and individuals will be given a greater chance of success, employment opportunities will expand, and reservation social and economic conditions will improve.

1986 Firefighting Costs

Question 49: By agency, please provide for the record the amount of firefighting costs incurred in 1986.

Answer: Interior firefighting obligations in 1986:

Bureau of Land Management

Fire management	$ 8,427,689
Presuppression	23,897,048
Firefighting	57,185,660
Emergency fire rehabilitation	5,816,235
Total	$95,326,632

Fish and Wildlife Service

Presuppression	$ 2,180,700
Firefighting	572,300
Emergency fire rehabilitation	47,000
Total	$ 2,800,000

National Park Service

NPS preparedness	$ 4,160,681
Emergency presuppression	821,458
Fire suppression and rehabilitation of burned areas	9,100,241
Total	$14,082,380

Bureau of Indian Affairs

Suppression	$11,938,404
Pre-suppression	14,246,738
Emergency fire rehabilitation	454,357
Total	$26,639,499

Employee Performance Reviews

Question 50: Is there a prohibition, either legal or one imposed by you, against an Assistant Secretary changing (either upward or downward) a personnel rating recommendation made by a Director of one of the Bureau's? Are changes like this widespread?

Answer: There is no probibition against an Assistant Secretary changing a Bureau director's personnel rating recommendation. The bureau director makes an initial appraisal (recommendation), which is reviewed by a performance review board (PRB). The PRB then makes a recommendation to the appointing authority. In Interior, the appointing authority is the appropriate Assistant Secretary. The Assistant Secretary then issues final summary ratings. This procedure is spelled out in the Civil Service Reform Act under 5 U.S.C. 4314 and the Departmental Manual under 370DM, 5.

It is not uncommon for Assistant Secretaries to assign different final summary ratings than those recommended by the bureau directors. For the 1985-86 performance appraisal cycle, four Assistant Secretaries in the Department gave final summary ratings that were different than some of the initial appraisals made by the bureau/office directors. In each case, the final ratings were different for more than one individual.

SUBCOMMITTEE RECESS

Senator BYRD. The subcommittee will stand in recess until Friday, February 20, at 10 a.m., at which time the committee will review the fiscal year 1988 budget request for the National Park Service.

The subcommittee is recessed.

[Whereupon at 11:50 a.m., Wednesday, February 18, the subcommittee was recessed, to reconvene at 10 a.m., Friday, February 20.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1988

FRIDAY, FEBRUARY 20, 1987

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Burdick, Reid, and Cochran.

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

STATEMENTS OF:

WILLIAM P. HORN, ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

WILLIAM PENN MOTT, JR., DIRECTOR, NATIONAL PARK SERVICE

ACCOMPANIED BY:

DENIS P. GALVIN, DEPUTY DIRECTOR

DANIEL E. SALISBURY, DEPUTY ASSOCIATE DIRECTOR, POLICY, BUDGET AND ADMINISTRATION

C. BRUCE SHEAFFER, BUDGET OFFICER, NATIONAL PARK SERVICE

STANLEY T. ALBRIGHT, ASSOCIATE DIRECTOR, OPERATIONS

JERRY L. ROGERS, ASSOCIATE DIRECTOR, CULTURAL RESOURCES

JAMES W. STEWART, ACTING ASSOCIATE DIRECTOR, PLANNING AND DEVELOPMENT

EDWARD L. DAVIS, ASSOCIATE DIRECTOR, POLICY, BUDGET AND ADMINISTRATION

F. EUGENE HESTER, ASSOCIATE DIRECTOR, NATURAL RESOURCES

L. LORRAINE MINTZMYER, REGIONAL DIRECTOR, ROCKY MOUNTAIN REGION, DENVER

HERBERT S. CABLES, JR., REGIONAL DIRECTOR, NORTH ATLANTIC REGION, BOSTON

ROBERT STANTON, DEPUTY REGIONAL DIRECTOR, NATIONAL CAPITAL REGION, WASHINGTON, DC

JAMES W. COLEMAN, JR., REGIONAL DIRECTOR, MID-ATLANTIC REGION, PHILADELPHIA

ACCOMPANIED BY—Continued

CARROLL W. OGLE, DEPUTY REGIONAL DIRECTOR, SOUTHEAST REGION, ATLANTA

DON H. CASTLEBERRY, REGIONAL DIRECTOR, MIDWEST REGION, OMAHA

JOHN E. COOK, REGIONAL DIRECTOR, SOUTHWEST REGION, SANTA FE

HOWARD H. CHAPMAN, REGIONAL DIRECTOR, WESTERN REGION, SAN FRANCISCO

WILLIAM J. BRIGGLE, ACTING REGIONAL DIRECTOR, PACIFIC NORTHWEST REGION, SEATTLE

Q. BOYD EVISON, REGIONAL DIRECTOR, ALASKA REGION, ANCHORAGE

GERALD D. PATTEN, MANAGER, DENVER SERVICE CENTER

ANTHONY L. ITTEILAG, DIRECTOR, OFFICE OF BUDGET, DEPARTMENT OF THE INTERIOR

BUDGET REQUEST

Senator BYRD. Mr. Mott and your associates, ladies and gentlemen, this is the time scheduled to review the fiscal year 1988 appropriation request for the National Park Service [NPS].

The request for the Service's major operating account totals $714,844,000, an increase of $41,073,000, or 6 percent, from 1987 apropriations to date. Included in the 1988 request is an estimated $74,300,000 that would be available from recreation fees under proposed legislation.

The President is also requesting $30,990,000 for new construction projects in 1988, a decrease of $57,105,000, or 65 percent, from 1987 appropriations to date.

For land acquisition, the budget proposal is $16,031,000, down 82 percent, or $71,189,000, from the 1987 level. No funds are requested for the Historic Preservation Program as compared to $24,250,000 in 1987.

The Service has a fiscal year 1987 supplemental request totaling $17,631,000, and rescission proposals of $179,569,000 pending before the committee.

I welcome the Director, Mr. William Mott, before the committee. Also here today is the Assistant Secretary for Fish and Wildlife and Parks, Mr. Bill Horn. The subcommittee welcomes Mr. Horn as well.

We also have the regional directors in attendance today.

PREPARED STATEMENTS

Mr. Mott and Mr. Horn, we will insert your prepared statements in the record as though read. If you would like to introduce your staff, Mr. Mott, and also regional directors, I would be happy to have you do so, and if you would like to summarize your statement, we will be happy to have you do that. Then we will turn to questions.

[The statements follow:]

STATEMENT OF WILLIAM P. HORN

Mr. Chairman and Members of the Subcommittee, it is a pleasure to be here today to discuss the National Park Service budget request for fiscal year 1988.

The fiscal year 1988 budget estimate for the National Park Service is $799.6 million, a decrease of $108.3 million compared with the 1987 appropriation level of $907.9 million. Although this represents an overall decrease, the reductions are proposed in nonoperations programs: land acquisition, construction, and the State Grant Programs. The 1988 estimate is an increase of $23.6 million over the current 1987 estimate, which reflects proposed supplementals of $17.6 million and rescissions of $146.4 million of 1987 appropriations, $30.0 million in contract authority, and $3.2 million of prior year appropriations.

The 1988 estimate includes $15.3 million for increased pay costs and $21.9 million for the costs of the new Federal Employees Retirement System.

Our request for the "Operation of the National Park System" appropriation is $715 million--the highest level in history. The 1988 budget request proposes increased funding for park operations through enactment of permanent legislation, which would authorize the Secretary of the Interior to establish new, and increase existing, park entrance fees and to use the revenues from these fees to supplement the operation and maintenance of park areas.

By comparison, language included under Title 1 of the Department of the Interior and Related Agencies Appropriations Act, 1987, authorizes the Secretary of the Interior to charge entrance fees in all units of the National Park System, with the exception of urban recreation areas and those parks with a specific statutory exemption, in order to advance the mission of the National Park Service. The language also establishes maximum entrance fee rates of $5 per vehicle and $3 per person. The fee schedule that we developed for fiscal year 1987 is consistent with these provisions. Therefore, entrance fee rates will increase at all areas that currently charge, and new entrance fees will be initiated at 72 parks. A total of 134 units of the National Park System will charge an entrance fee during fiscal year 1987.

On December 15, 1986, we transmitted the fee schedule to the House and Senate Appropriations Committees; and we completed the 30-day public comment period on February 1, 1987. Fee collection under the new schedule started on February 2, 1987.

The schedule contains four different rates for the single visit entrance fee: a per vehicle fee of $5 or $3, or a per person charge of $2 or $1, depending on the particular park. Payment of the single visit fee will entitle visitors to unlimited entries for a period of 7 days. In addition to the single visit fees on our schedule, the Golden Eagle Passport will be offered for an annual fee of $25. An annual pass for each park will also be available at a price of $10 or $15, depending on the single visit fee rate for the park.

In preparing the schedule, we closely followed the criteria for recreation fees included in the Land and Water Conservation Fund Act. Since the authority provided by Public Law 99-591 expires at the end of fiscal year 1987, the number of proposed new fee areas is limited to programs that can be implemented within the next several months with minimum start-up costs. Therefore, permanent authority is necessary to continue the fee program in future years.

The Department has proposed FY 1988 Appropriation Act language to provide permanent authority and will propose similar legislative language to the authorizing committees shortly. The proposed legislation will be similar to the measure adopted by the Senate Energy and Natural Resources Committee during the 99th Congress and will include conservation and resource earmarking language worked out with the National Parks and Conservation Association and the Conservation Foundation. Under this proposal, the $3 and $7.50 fees for a single visit would go to $5 and $10; the $25 Golden Eagle Passport fee would go to $40; and the $15 annual single park permit would go to $25. The

revenues from these fees would provide additional financial support directly to the National Park Service, if enacted, to be derived from park users rather than from the general taxpayer.

I would also like to add a word about land acquisition. You will note that we are not proposing additional land acquisition at this time. The reason we have not requested additional appropriations for land is because this function is not of sufficient fiscal priority at this time. We will be looking at land exchanges and other low-cost alternative land-protection methods during these periods of budgetary restraint. When the budgetary climate changes for the better, we will consider budget requests for additional land purchases for the parks.

That concludes my prepared testimony, Mr. Chairman. I would be pleased to respond to any questions that you or other Members of the Subcommittee may have.

Statement of William Penn Mott

Mr. Chairman and Members of the Subcommittee, it is a pleasure to appear before this Subcommittee to discuss the 1988 budget request of the National Park Service. From the vantage of visiting many of the sites and monuments in the system during the past year, I want to assure you that they are more than ever a great source of pride for all Americans and are managed by an impressive, competent and dedicated group of employees. Despite the growing complexity of the challenges associated with managing and protecting the parks, I am pleased to report that our collective efforts towards meeting these challenges are having a positive effect. I believe that the Service is in good shape. Staff morale is high, and I expect the Service will continue to carry out its mission in an exemplary manner.

From this perspective, I consider our 1988 budget request to be more "good news" for the National Park System. The best news is that our request for the "Operation of the National Park System" appropriation is at its highest level ever, nearly $715 million. We are again proposing the enactment of permanent legislation that will allow the Service to increase or establish new park entrance fees, and authorize the use of revenues from these fees to improve interpretation, research, and resources protection in the parks.

I wish to stress my strong commitment and support to the concept of increasing entrance fees and using those revenues to improve interpretation, research, and resource protection in the parks. I recall from my experience as Director of the California State Parks during a fiscally constrained period, that individuals using the parks did not object to reasonable entrance and user fees when those fees were retained to help finance park operations. Our evaluation to date of the fee program authorized in the 1987 Appropriations Act is that a vast majority of visitors to fee areas are pleased to participate, knowing that the fee they are paying will improve the National Park System. We have made every effort to develop a reasonable and equitable fee program.

As Assistant Secretary Horn mentioned, we sent the 1987 fee schedule to both the House and Senate Appropriations Committees in December. We intend to collect entrance fees at all 134 parks on that list. As of February 15th, higher fees were in place in all 62 of the parks where we collected fees in 1986, and fees are being collected in 21 of the 72 proposed new fee areas. We estimate that all 134 parks will be collecting fees by May 1st.

Some expansion of the fee program is planned for 1988. Fees will be collected in 22 additional parks, bringing the total fee collection areas to 156. Rate increases in the single visit fee will be implemented only in the 11 prime areas, where the fee will increase from $5 to $10 a vehicle or from $2 to $4 a person for someone who walks or bicycles into the park. Since the single visit fee is good for a period of 1 week, a family or an individual can visit a Yosemite or a Yellowstone for a week at what we believe to be a very reasonable cost.

More importantly, the revenues from fee collection will make a major contribution to the operation of the National Park System, especially in terms of enhancing interpretation, research, resource protection, and maintenance of natural resources. The value to the Park Service is immense. In 1988, fee revenues will pay for the costs of fee collection, operation of Harpers Ferry Center, visitor transportation systems, natural and cultural resource preservation programs, information publications, volunteers-in-parks, cultural cyclic preservation, repair and rehabilitation related to protection of park resources, and further enhancements in interpretation, research and other programs in the parks.

The highlights of the 1988 budget request are as follows:

Operation of the National Park System

The 1988 budget request for "Operation of the National Park System" is $714.8 million, an increase of $41 million from the 1987 appropriation.

Major program increases are proposed as follows: $7.8 million for the United States Park Police for overtime pay, improvements to facilities, three rookie recruit classes, and equipment; $3.5 million for enhanced park operations as I discussed above; $1.6 million for Resources Management for grizzly bear management, cultural resource studies and inventories, and natural resource monitoring; $1.5 million for additional fee collection costs; and $750,000 for the newly established Great Basin National Park. Other increases are $500,000 for Informational Publications to support increased production of park folders and other publications, and $500,000 for the Volunteers-in-Parks Program. Finally, the request includes $1.255 million to cover one-time costs associated with the centralization of finance operations.

Fixed-cost increases of $34.9 million are included for the 1987 pay increase, the Federal Employees' Retirement System, GSA rental space, payment to the Employees' Compensation fund, and other Servicewide costs.

National Recreation and Preservation Programs

The proposed level of $10.3 million includes base adjustments for increased Federal Pay and the Federal Employees Retirement System. Reductions of $1.3 million are proposed in technical assistance to State and local governments, nationwide recreation data collection and policy analysis activities, the transfer of surplus Federal real property, and river and trail conservation assistance. This is partially offset by proposed increases for environmental compliance reviews and National Register Programs.

Construction

The 1988 request for Construction is $31 million to fund 11 projects in 10 park areas. Four projects totaling 60 percent of the request represent planned 1988 phases of previously funded projects. All projects address health and safety or resources protection objectives.

John F. Kennedy Center for the Performing Arts

The $4.9 million proposed for the John F. Kennedy Center for the Performing Arts reflects base adjustments for 1987 pay increases and the Federal Employees Retirement Fund.

Land Acquisition

No new acquisition funds are requested for specific parks in 1988. The budget includes $6.1 million to continue emergency and hardship acquisitions and to pay anticipated deficiency court awards.

Historic Preservation Fund

No new budget authority is requested for grants to the States and to the National Trust for Historic Preservation. We expect the States to assume responsibility for funding State historic preservation organizations depending on their own priorities.

This concludes my prepared remarks, Mr. Chairman. I would be happy to respond to any questions you or other Members of the Subcommittee may have.

INTRODUCTION OF ASSOCIATES

Mr. MOTT. Thank you, Mr. Chairman.

I would like to introduce two new members of our staff, but before I do that, sitting on my right, of course, is Bill Horn, the Assistant Secretary. My Deputy Director is Denis Galvin, and the Deputy Associate Director for Policy, Budget and Administration is Dan Salisbury; and Bruce Sheaffer is our budget officer, who is sitting at the end of the table, on my left.

I will ask the Associate Directors and Regional Directors to stand. Some of them are new, Mr. Chairman, and I think you will appreciate knowing who they are.

Stan Albright, the Associate Director, Operations.

Jerry Rogers, the Associate Director, Cultural Resources.

Jim Stewart, the Acting Associate Director, Planning and Development.

Ed Davis, Associate Director, Policy, Budget and Administration.

Dr. Eugene Hester, Associate Director, Natural Resources.

The Regional Directors:

Ms. Lorraine Mintzmyer, Rocky Mountain region, Denver.

Herb Cables, North Atlantic region, Boston.

Bob Stanton, who is here for Jack Fish, who is not well today, National Capital region, Washington.

Jim Coleman, Mid-Atlantic region, Philadelphia.

Jack Ogle, who is representing Bob Baker, who is on an assignment in Thailand, Southeast region, Atlanta.

Don Castleberry, the new Regional Director for the Midwest region in Omaha.

John Cook, Southwest region, Santa Fe.

Howard Chapman, Western region, San Francisco.

Bill Briggle, who is representing Chuck Odegaard. Bill Briggle has been serving as Acting Director at the Pacific Northwest region.

Boyd Evison, Alaska region.

And Gerald Patten, who is the Manager of the Denver Service Center.

Senator BYRD. Thank you. I am sorry to hear that Mr. Fish is ill and could not be here today. We welcome the gentleman who is going to represent him.

I thank all of your associates for coming here. We welcome their attendance and whatever testimony it may be necessary for them to present.

REORGANIZATION OF THE WASHINGTON OFFICE

First a few questions for Mr. Horn concerning the recent reorganization of the Washington headquarters office of the Park Service and the related personnel actions.

The House committee report accompanying the fiscal year 1987 appropriation bill contains the following quotation concerning our reprogramming guidelines:

> The following are the current procedures governing reprogramming actions for programs and activities funded in the Interior Appropriations Act:
> * * * A reprogramming shall also consist of any significant departure from the program described in the agency's budget justification. This includes proposed reorganizations even without a change in funding.

The Senate has adopted those reprogramming guidelines. Yet we find that the Secretary and the Assistant Secretary have moved to reorganize the Service, and, I believe, change its future direction without adhering to the reprogramming guidelines.

I discussed this with the Secretary at his hearing on Wednesday.

Did you recommend that he not follow our guidelines, and if so, why? Were you aware that the guidelines were Senate guidelines also?

ADHERENCE TO CONGRESSIONAL GUIDELINES

Mr. HORN. Mr. Chairman, as I think the Secretary outlined to you in the presentation on Wednesday, he discussed this matter and came to the conclusion that it was appropriate to move expeditiously because of an unfortunate cloud of uncertainty that had been created by some unfounded perceptions about the prospective impacts of the reorganization. That was the primary reason for taking the action.

As the Secretary did outline, we seek to cooperate to the maximum extent with the committees and to abide by the nonstatutory guidance provided in the report language. But I think in his mind, and mine as well, that circumstances may arise in which the need for prompt action to effectively and efficiently pursue our programs may cause the Department to take action. Such actions in this instance are not taken lightly; there is no effort on our part whatsoever to try to create or give rise to any confrontation with the committees or Congress. But in this particular instance, as I think the Secretary articulated on Wednesday, the conclusion was that the need to move and move promptly was the most important factor in our consideration, and hence, the action was taken in January.

I would add that we did not intend to blindside the committees or Congress in any manner, shape or form, and did undertake actions to brief the committees in advance of the contemplated action. I fully understand that that briefing did not, in the committees' minds, constitute any form of substitution for strict adherence to the reprogramming guidelines. But we did engage in the briefing arrangements just to make sure that we were not catching the committee off guard, notwithstanding the decision to move without strict adherence to the guidelines.

Senator BYRD. I have a letter from Assistant Secretaries Riso and Swimmer concerning the Bureau of Indian Affair's Facilities Management Program. The letter, dated January 22, 1987, states that "* * * Included in the report is the facilities management reorganization plan which by the committee's direction also requires approval."

Can you tell the subcommittee why this report has been sent to the committee for approval as required while the Park Service reorganization plan was treated differently?

Mr. HORN. Mr. Chairman, as I indicated, the primary concern was that when the reorganization proposal was being put together last summer and fall by the Director, and it was submitted to my office in October for final review; however, during the review and consultation process, a number of unfounded perceptions were created. A number of stories in the press, that I deem to be unfortunate stories, were circulated. It created a significant cloud of uncertainty, with the conclusion that the Secretary, myself, and the Director were having an adverse effect on employee morale and the ability of the Service to effectively and efficiently accomplish its program. Given those factors, we went to the Secretary around Christmas time. Our determination was to eliminate that cloud of uncertainty and get on with our program efficiently. Further, given the fact that this was going to be done totally within available funds, we felt that it was appropriate, and the circumstances necessitated prompt action.

As the Secretary indicated, we seek to cooperate to the maximum extent with the guidance provided by the committees. I don't know if I can give you a number, but I know there has been extensive guidance provided in the committee reports over the years, which I think the Department has tried hard to cooperate and follow to the maximum extent. But, circumstances may arise, and in this case the Secretary deemed that a circumstance did arise, that necessitated prompt action.

Senator BYRD. Did you agree with that action?

Mr. HORN. Yes, I did, sir.

Senator BYRD. I received a letter from Secretary Hodel dated January 27, 1987, notifying the subcommittee of the reorganization of the Service's Washington office. In the letter the Secretary stated that "* * * Expeditious action is necessary given the cloud of uncertainty which was adversely affecting the organizational effectiveness of the Service."

ADVERSE EFFECTS OF REORGANIZATION

You have partly detailed for us some of the reasons. What were the adverse effects that the Secretary referred to?

Mr. HORN. As I indicated, the effort to realign the Washington office had commenced under the Director's initiative earlier in the year. After a series of consultations, it culminated in the submission to my office of a reorganization plan for the Washington office in October. We then began discussions. We had just recently gone through a reorganization in the Fish and Wildlife Service. Based on those discussions and what

had happened there, I had some suggestions and ideas on some potential modifications to be made to the Director's plan, and we began discussing what those might be.

I am not quite sure how it happened, but we suddenly began to receive a series of press reports with some, what I must call, incredible speculations about things that were going on, personnel moves, wholesale changes in the entire structure of the Park Service, which I think were creating a very substantial cloud of uncertainty as to exactly what was going on and what the future of the Service was. I think most of those press reports were so far off the mark as to approach pure fiction.

The existence of those reports and the uncertainty created by the fact that the proposal might remain unresolved for some time, was giving rise to poor morale. Further, this level of uncertainty was beginning to hamper our programmatic effectiveness.

Senator BYRD. What are the problems that would have occurred if the Secretary proposed the reorganization through the reprogramming procedures and waited for congressional approval?

Mr. HORN. I think it was a function of timing. The decisions were made right around the Christmas holidays. Due to the uncertainty that some of these adverse press reports had begun to generate back in the November timeframe, and the fact that we had already gone through a 2-month period of some degree of uncertainty, the conclusion was that this uncertainty had to be eliminated and terminated as rapidly as possible.

Senator BYRD. You indicate that the uncertainty would harm morale. I wonder if that morale might have been improved if the issue had been debated in the open.

Mr. HORN. The problems were that we had a number of these unfounded speculations floating around about different proposals and different ideas. So we concluded that the best way to eliminate the uncertainty and get on about our job was to just bring these things to a conclusion, to make the decisions and let people realize that some of these things that had been reported were just pure fiction and pure speculation. There was no need to be concerned within the ranks of the employees. A continued public debate and a continued uncertainty over some period of time would have left this cloud hanging over the Service, which we deemed to be adverse to fulfilling our mission.

FUTURE RELATIONSHIP WITH CONGRESS

Senator BYRD. Do you think there is any remaining uncertainty?

Mr. HORN. I think now there is not. The Director's reorganization proposal is in place. Some attendant concurrent personnel moves have been made. I think we are back on track and basically pursuing the implementation of the Director's 12-point plan, which is the current proposal and program that the Park Service is following.

Senator BYRD. Sitting on this side of the table, do you think there is some uncertainty? Do you think you have dispelled any uncertainty or do you think you have created uncertainty on the part of this subcom-

mittee and the Congress as to what can be depended upon in the future with respect to the reprogramming requirements and stricture laid down by the Congress? What do you think has happened to the certainty and uncertainty here?

Mr. HORN. Obviously, as the Secretary has indicated, we would like to continue to work and try to work as cooperatively as we can with the committees and abide by their guidance in the vast, vast majority of circumstances. In those cases where the Secretary has come to some conclusion that some different action not in accordance with the committee guidance may be warranted on our part, I think the important aspect there is that we at least maintain open communications and keep the committees fully apprised of what we intend and what we might do. I think we have tried to maintain those communications throughout even this difficult process.

Senator BYRD. Did you realize that Congress was going to be back in session on January 6?

Mr. HORN. Yes, sir.

Senator BYRD. Did you realize that the leadership in both Houses has said it wasn't going to be business as usual, that we weren't going to wait until after the President's State of the Union Message before we started doing business here?

Mr. HORN. Yes, sir.

Senator BYRD. Did you realize that the distance was not very far from where you sit to where we sit?

Mr. HORN. Yes, sir.

Senator BYRD. How would you feel if some of these strictures were to be written into law?

Mr. HORN. I think, as the Secretary indicated, if in cases like this the Congress or the committee feels that strongly about a particular item, I think in his mind that is the appropriate course of action. Although in the vast, vast majority of circumstances, we have tried to work very closely and cooperate and accept the committees' guidance through the report language.

Senator BYRD. In other words, what you are saying is that report language may or may not be accepted as guidance by your Department, by your agency.

Mr. HORN. I think it is accepted as guidance, Mr. Chairman, and we try to adhere to it as often as we can. I think the Secretary articulates this better than I do, but circumstances may arise in which the executive branch concludes that for programmatic reasons, it needs to take some action notwithstanding that particular guidance.

Senator BYRD. Do you allow the press reports of the uncertainties to circumvent the directives of the committee?

Mr. HORN. No, sir; I think what was creating the circumstance that caused us to take the action were the press reports and other things which were giving rise to uncertainties and were having an adverse effect on our ability to effectively pursue the Park Service's mission.

Senator BYRD. Well, in hindsight it may not turn out to be such a brilliant action. There are other events that we have noted recently, which, of course, are not in this category, in which agencies have been instructed to circumvent the Congress and not inform the Congress. This is to a lesser degree, but this subcommittee looks with disfavor upon the action that has been taken.

All of the eloquence and articulate statements that have been made fly in the face of the fact that the reprogramming directives were thoughtfully created and expected to be adhered to. We are around. I am around practically all the time. I work 5,000 hours a year. I would suggest that the agency pay attention to these directives. This administration is not going to ride roughshod over this Congress. The directives of the congressional committees are expected to be adhered to. If there is a reason why they should not be adhered to in a given instance, we will be glad to listen.

I would suggest in the future that you follow the directives. I have opposed reprogramming actions before as chairman of this subcommittee and might do so again.

QUOTES FROM NEWSPAPER ARTICLES

I would like to quote from a number of recent newspaper articles concerning the reorganization and the related personnel actions.

In a New York Times article on December 6, 1986, this reorganization was criticized "* * * as a major effort by the Reagan administration to gain political control over the Service, which has a history of independence and autonomy."

An article in the Sacramento Bee quoted Destry Jarvis of the National Parks and Conservation Association as saying "This is the most serious attempt to make fundamental policy changes in the purpose of the National Park Service" since James Watt was Secretary.

Concerning the personnel actions proposed at the same time, the New York Times article states that "One issue of serious contention within the Park Service was a decision—by Assistant Secretary Horn—to reverse virtually all of Mr. Mott's recommendations for performance ratings and bonuses to the service's senior officials."

According to the Sacramento Bee article, "Among the most dramatic downgradings was of Chapman"—meaning West Coast Regional Director Howard Chapman—"whom Mott gave the highest evaluation, a '1' rating, qualifying him for a cash award of several thousand dollars. That was lowered—by Mr. Horn—to '4', which one official said is like saying Chapman 'should be gotten rid of.' "

I am told that the Sacramento Bee article was in error when it said that the Director wanted to rate Mr. Chapman a "1"; he was actually proposed as a "2", I am told.

According to the Federal Times of January 12, 1987, "Unless he—Mr. Chapman—announced a retirement date, his 'good' performance evaluation given to him by Mott would be downgraded to 'unsatisfactory' by Horn."

Finally, in the same New York Times article mentioned earlier, Mr. Jarvis is also quoted as saying that the Department's political appointees are "trying to ram this—reorganization—down Bill Mott's throat, and if he resigns they will be happy."

Is that accurate, Mr. Horn? Did you want Mr. Mott to resign?

Mr. HORN. Absolutely not. I have an excellent working relationship with the Director. I think when the Director came on board, prior to my coming on board, he had already articulated his 12 point plan. We worked together on that. That 12 point plan is the centerpiece of the current programs within the Park Service. Many of the things that we are presently working on in areas such as creating units of the park system and revisions of management policies are a direct outgrowth of the plan put together by the Director. So I think we have an excellent working relationship, and in no manner, shape or form am I interested at all in having Mr. Mott resign.

Senator REID. Will the chairman yield?

Senator BYRD. Yes.

COMPLIMENT TO DIRECTOR MOTT

Senator REID. I am going to go and relieve one of the other subcommittee chairmen.

I want to congratulate you, Mr. Chairman, for the direction of your statements today. It took away from some of the things that I was going to say. However, before leaving I do want to say what a pleasure it has been for me to work with Mr. Mott. We have had formed by an act of Congress, a new park in the State of Nevada, the first one in some 15 years.

Working with you, Mr. Mott, was a breath of fresh air. I only wish that more of our bureaucrats had your spirit, experience, and initiative. But for you we would not have the park. I want to publicly congratulate you and to tell you, Mr. Chairman, how easy it has been to work with Mr. Mott. I wish the rest of the Department were as easy to work with as you, Mr. Mott.

With that, I want to again tell you how much I appreciate your allowing me to speak out of order, and I appreciate being able to participate in this hearing.

Senator BYRD. Thank you, Senator Reid, for your comments.

Mr. Horn, have you ever discussed the topic of resignation with Mr. Mott?

Mr. HORN. I have not.

Senator BYRD. Have you ever reprimanded or otherwise disciplined Mr. Mott?

Mr. HORN. Not in the least.

Senator BYRD. Or any other Park Service employee for that matter for their role in this process?

Mr. HORN. I have issued no reprimands to any Park Service employees in this process whatsoever.

Senator BYRD. Apparently, judging from the press reports, the primary cause of concern has to do with the basic policies governing such things as the use of recreational vehicles in parks, the establishment of natural or historic areas, and the overall balance between use and preservation of park units. This concern was raised by the reorganization of the Office of Policy Development, moving it from the Office of the Director to the Office of the Associate Director, Policy, Budget and Administration, and the movement of non-Park Service staff into top management slots.

The concern seems to be verified by a review of correspondence between your office, Mr. Horn, and your office, Mr. Mott, concerning revisions to the Park Service's manual of operations.

Mr. Mott, did you originally propose to retain the policy function in your immediate office?

Mr. MOTT. Yes.

Senator BYRD. Mr. Horn, why do you seek to relocate the policy development function when the Director clearly has another point of view?

Mr. HORN. The Director submitted the plan to me in October based on the discussions we had had through the summer. I had made a number of suggestions to the Director based on my experiences working and having served for 5 years in the Under Secretary's office and having worked with the Fish and Wildlife Service on its most recent reorganization. I saw some things that had occurred in other sections of the Department and within the Fish and Wildlife Service that I considered to be good suggestions and might help promote the mission of the Park Service. One of those was the creation within the Park Service of an Office of Policy, Budget and Administration. Of course, that is the alignment that the Department uses overall, and that is the alignment recently adopted by the Fish and Wildlife Service with some measure of success. So it was one of the proposals that I tendered to the Director that ultimately was adopted and is now part of the system.

Senator BYRD. Apparently your concern is that the Service is too inclined to emphasize certain park protection values in its decisions at the expense of the park user, and there may be instances in which one would agree with you. But, instead of approaching the issue through the Congress and the appropriate committees, you have apparently decided to run your own covert operation.

Mr. HORN. Mr. Chairman, I think there is no effort here to run any form of covert operation. The basic policies of the Park Service are set out by statute, the 1916 Organic Act, and the subsequent amendments in the 1970's.

As I indicated, the specific plan of action that we are working under right now is the 12-point plan put together by the Director. One of the points in that plan calls for updating and a revision of the management policies of the Park Service, which were last revised in 1978. That revision is now underway.

The Service basically is directing that program. That program is going to be the one that will outline and articulate exactly what the appropriate balance is between the Park Service's mandates of conserving resources and at the same time making them available for American citizens and the public.

I don't think there is any effort here to run any form of covert operation. It is just a question of what is a more efficient system. The way I viewed it from my past experience, the amalgamation of the policy, budget, and administration functions in one office has worked successfully in the Department; it worked successfully in the Fish and Wildlife Service; and it was my suggestion that it would also work successfully within the Park Service.

APPOINTMENT OF ASSOCIATE DIRECTORS

Senator BYRD. Another reorganization issue has to do with the total number of senior executive service associate director positions in the Washington office that are currently filled with staff experienced in the field operations of the Service. I understand there are five associate director positions. Of the five, one is apparently securely filled with a Park Service career SES staff person.

Two additional positions have been recently filled with non-Park Service SES staff. The last two positions are currently filled with Park Service SES staff, but I understand that the Associate Director for Operations is scheduled to leave that job in the near term, and the Associate Director for Planning and Development is being filled on an acting basis.

Do you have any plans to fill these two remaining vacancies with non-Park Service staff?

Mr. HORN. My understanding is that presently the Service is advertising for both of those positions and they will be filled by the Service pursuant to the advertising process.

Senator BYRD. Does that mean that the remaining positions will or will not be filled with Park Service staff?

Mr. HORN. That is going to be the Director's decision.

Senator BYRD. Can't you recruit well qualified people from within the Service?

Mr. HORN. I think that whenever we look at positions there is an appropriate mix of trying to match people to jobs and pick people with the appropriate credentials and experience and expertise to fill those certain needs. I think there has been a history of sometimes staying in and sometimes going out. I use as a good case in point Director Mott himself. When the Secretary was making a selection for a new director there were a number of well qualified candidates from within the Park Service whom the Secretary did consider, but he ultimately decided to go outside the Park Service and pick a gentleman who had not worked with the National Park Service in an official capacity in some years and chose Director Mott.

Obviously there is a mix to be had between people from within and people from without. I think the general objective is to try to match expertise to the positions that are vacant.

Senator BYRD. Who has the final decision? Does Director Mott?

Mr. HORN. Under the law and under the Department delegations I am the appointing authority for all SES individuals within the Fish and Wildlife Service and National Park Service.

Senator BYRD. Senator Cochran.

NATCHEZ TRACE PARKWAY

Senator COCHRAN. Thank you, Mr. Chairman.

In Mississippi we are very proud to have the Natchez Trace Parkway as one of the jewels in the crown, so to speak, of the National Park Service located in our State primarily, although it does traverse the States of Alabama and Tennessee as well. There are 449 miles of parkway. I am very glad to see that it is almost completed now. It was authorized for construction in 1937–38. So this is the 50th anniversary of its authorization and designation as part of the National Park Service System.

This has been a project that I have watched move toward final completion. We are within sight now of the day when we will be able to celebrate the final completion of this parkway.

I wonder if the Park Service has a plan for the final completion of the parkway. When can we expect, in your judgment, to see the parkway finally completed? There are only 63 miles uncompleted, but 45 of those miles have not been funded at this point.

Does anybody have anything on that?

Mr. MOTT. I would like to have Jack Ogle tell you what the situation is on that. We, of course, are as interested in completing that project as you are, and we are very interested in that project, just as we are with the Blue Ridge Parkway. We think it serves a very definite purpose.

Senator COCHRAN. Let me welcome Jack Ogle. He is a former superintendent of that parkway. I know him personally. He has done a fine job over the years. He is now in Atlanta, and I am glad to see him here this morning.

Mr. OGLE. As you know, you and I have had a lot of discussions about the Natchez Trace Parkway. It was started some 10 years ago with a 5-year plan to complete the parkway. We still have that 5-year plan.

I think the estimated cost of completing the parkway is $96 million. We do have a plan laid out to finish the parkway, and it would cost between $15 million and $20 million a year.

Senator COCHRAN. That is good news indeed. I remember as a member of the House Public Works and Transportation Committee offering the first amendment to designate the highway trust fund as a source of funding for construction money. That now is being utilized and I think has made it possible for us to see the completion in the near term as a real possibility. I congratulate you for including in the budget a request

for specific amounts from the highway trust fund and from the construction fund of the National Park System.

I notice that the total amount that would be allocated for next year would be about $14 million. So that is pretty close to what we are needing as far as Jack Ogle's projections are concerned.

Last year Congress approved $17.4 million, some of that from the highway trust fund and almost $12 million from the construction budget of the National Park Service.

I want to encourage you, Mr. Director, to stay on board and keep pushing to get this completed. Every Secretary of Interior since I have been in Washington has been interested in this project. Every National Park Service Director too. Money is tough. We know it is tight. But I hope you will continue to put this as a part of the requests that are submitted to the Congress. It makes it easier for us to get the money appropriated. I can remember when they would never put the money in, and we would always have to put it in up here, and that is a little tough sometimes with people who are not familiar with the importance of that project.

FEE COLLECTION

Let me ask you one other question. I know that you have got a problem dealing with the collection of fees. This is something that nobody really likes. But in order to try to make sure that we have enough money to maintain these important facilities around the country it was found to be necessary to supplement the regular appropriations.

VICKSBURG NATIONAL MILITARY PARK

In our State, the Vicksburg National Military Park is a very important attraction. It is a tremendous asset for the country. I know it was on the list of the 134 or so parks where fees would be collected. I hope that the situation there will be monitored very closely, as I know it will be. It is an unusual place. It doesn't have just one entrance. There are multiple entrances. Parts of the park are actually used by local citizens to get back and forth from work. It is an unfortunate situation, but it is one that exists there. Vicksburg has a very unusual terrain. There are a lot of bluffs, gorges, which made it kind of tough for them back in the War Between the States. That is why it became such a focal point, because it dominated the river from these high bluffs. Well, because of that, you don't have a lot of transportation alternatives in this area. So a lot of these roadways that are in the park are local streets, in effect.

So I hope that care will be given and some sensitivity applied to the decisions that are made about collection of fees and obstructions of streets and roadways.

I think the superintendent there is doing a really fine job of acquainting the public with the plans, keeping them involved and having some meetings to get input. So I congratulate him on the fine work he is doing.

I encourage you to be sensitive to this unusual situation at the Vicksburg National Military Park and be sure that the interests of the local citizens are taken into account and not just visitors who are coming to drive around the park for $3 or $5 or whatever the fee is.

Mr. MOTT. Senator, we are very sensitive to all of these areas. I am glad that you look upon Vicksburg as being one of the jewels in the crown. As you probably know, they will receive out of their fee collection about $97,000 directly at the park for interpretation, research, and resource management in addition to the servicewide moneys that will be available for brochures and fixing up the exhibits and things of that sort.

We are finding in all of our fee collection areas, every one of them, including the Statue of Liberty, that the people are saying to us "we want to participate and this is an opportunity for us to do that in order to maintain the quality of the units of the National Park System." I think that generally is the attitude of the public that we are finding. We are quite pleased with the way people are accepting this program.

We are following it and monitoring the program very carefully. I think by the end of summer we will be able to make a very positive report, that this is an opportunity for the public to participate. The cost is very minimal, and as you know, the fee that we charge is good for a 7-day period so people can come back over and over again during that period without paying an additional fee. It becomes a very reasonable opportunity for people to enjoy and participate in the units of the National Park System. We will be watching this very carefully. We will be in contact with you and let you know what is going on and how it is working out and what the problems are.

Thank you for your support.

Senator COCHRAN. Thank you, Mr. Mott.

Mr. Chairman, thank you very much for your indulgence. I appreciate the responses from the National Park Service Director and from my good friend Jack Ogle. It is good to see you.

PERSONNEL EVALUATION

Senator BYRD. Mr. Horn, I have some questions I want to ask concerning specific personnel evaluations. I understand that you have been advised by the Solicitor's Office that personnel issues normally protected from disclosure by the Privacy Act may be discussed with appropriate congressional committees. Is that correct?

Mr. HORN. My understanding is that Congress has an exemption from the Privacy Act and, therefore, at congressional insistence, I am at liberty to discuss the particulars of individual ratings.

Senator BYRD. I read from the provisions of 5 U.S.C. 552(b) of the Privacy Act, which indicates to me that information in a record protected by the Privacy Act may be disclosed, and here I will read from the statute, "to either House of Congress, or, to the extent of matter within its jurisdiction, any committee or subcommittee thereof * * * ."

I have some questions relating to some controversial personnel actions which I would like to discuss at this time. Do you know of any reason we should not discuss these topics?

Mr. HORN. Mr. Chairman, my strong preference would be to discuss these matters in camera. I think it best for the interest of all parties involved not to discuss the individual ratings of individual members of the Park Service staff on the public record. So my preference would be to discuss these matters in camera with you. I would be more than glad to go through them at great length. If, however, the committee's determination is to do it on the record, I am prepared to discuss it on the record as well. My preference is in camera.

Senator BYRD. Mr. Mott, what would your recommendation be?

Mr. MOTT. I think for the benefit of the people involved it would be best if we discussed this in private rather than in public.

Senator BYRD. Is it true that you reversed several of the personnel recommendations of the Director, Mr. Horn?

Mr. HORN. Mr. Chairman, I think that reversed is not the proper term.

Senator BYRD. What is the proper term?

Mr. HORN. The Director and I are part of a multistep process for rating senior executive service personnel. Each of us participates in this process. We may come up with different recommendations and we may be overridden.

I would like to outline very briefly for the committee's benefit the process that is employed throughout the Department pursuant to the Civil Service Reform Act, and then I can go through and we can discuss some of the aggregate ratings so you can understand how the numbers came to pass.

The basic fundamental aspect of it is that the performance standards are developed for each senior executive service personnel and they are developed by the appointing authority, and under the law, at the Department, that is myself, in consultation with the Director and in consultation with the affected senior executive. Those standards are then presented to the executive, and they represent the contract, so to speak, between the senior executive service personnel and senior management. Those are the items on which that senior executive service person will be rated in a given year.

PERFORMANCE REVIEW PROCESS

The review process, as I indicated, is a multiple step, and it works as follows: The initial review is done by the Director. That initial review is then, by law, submitted to a performance review board, which is, in essence, a peer group board made up of SES individuals from within the bureaus at issue. They are then to conduct their own independent review and evaluation of the senior executive personnel.

Then those two independent reviews, the review conducted by the Director and the review conducted by the performance review board, are then submitted to me as the appointing authority for a summary rating. I then issue the summary rating.

My summary rating is subject to review by the Secretary or his designees, and at the end of that four-step process a final summary rating is issued for each of the affected personnel.

In this last year the Secretary had made a determination on a departmentwide basis that we had to adopt a generally more rigorous system. In the past the routine had been to hand out grade 1's and grade 2's to most employees within the department. The Secretary had done a similar program at the Department of Energy, and he wanted to try it at the Department of the Interior. That was a more rigorous system that said that level 3 is the basic norm. That means that a level 3 is indicative of fully successful performance by senior career personnel. In essence, to get a 2, one would have to do something extraordinary, and to get the 1, the employee really had to perform above and beyond the call of duty for a consistent period of time. These were the procedures given to us to run the system.

The committee has been previously supplied with the aggregate ratings issued during the course of 1986 for both the National Park Service and the Fish and Wildlife Service. I think what you will see is that overall the major change between any of the initial ratings performed by the Director and the final ratings that I signed were in the difference between those folks rated at level 2 and the numbers that were subsequently rated at fully successful.

Just to show you the difference, the Director submitted a recommendation of four level 1's, and I recommended three level 1's, and that is what I signed. He recommended 10 level 2's; I signed off on 4 level 2's; he recommended 4 level 3's, and I proposed and signed off on 11 level 3's, and there were no level 4's or level 5's within the Service.

So some of the Director's initial recommendations were changed, but I don't think reversed is the proper term given the sequence of events that the process employs.

ASSISTANT SECRETARY HORN'S ROLE IN MANAGING THE SERVICE

Senator BYRD. Very well. We won't engage in a verbal battle of semantics.

Is this a part of the larger picture—you call it change; I call it reversal—having to do with the future direction of the agency?

Mr. HORN. No, Mr. Chairman; as I indicated previously, I think that the future direction of the agency is primarily spelled out in the Director's 12-point plan which the Secretary and I have enthusiastically adopted. Most of the priority items that my office works with the National Park Service on are items that come out of the 12-point plan, such as efforts to expand the Park System, or working actively on the Tall Grass project with the Oklahoma delegation. We are revising the management policies pursuant to point 5 in the 12-point plan, working with Congress to permanently adopt the fee program. Efforts are under way to expand the land protection in the Big Cypress-Everglades Area. These are the major projects.

I think the Director and I both philosophically and from a general policy perspective are in full accord on the direction of the Service. I won't try to deny that there are going to be particular individual cases and circumstances where we may come to different conclusions, but during the almost 2 years I have served in this job, which has overlapped with his tenure as Director, any time any differences of opinion have come up we have been able to work them out and come up with an amicable resolution that continues the great traditions of the Park Service.

APPOINTMENT OF PARK SUPERINTENDENTS

Senator BYRD. I am told that the Assistant Secretary's office has expanded the approval procedure for park superintendents to include GS–14 managers. Is that correct?

Mr. HORN. We, right now, routinely review all appointments within the Service from GS–14, GS–15 and up through SES appointments. My understanding is that that has been fairly standard procedure over a long period of time.

Senator BYRD. So the answer is "yes."

Mr. HORN. I don't know if it is an expansion. My understanding is that it has been traditional practice for the Assistant Secretary's office to review those types of senior grade appointments within the National Park Service.

Senator BYRD. So the answer is "no."

Mr. HORN. I am informed that the coverage down to GS–14's is an expansion of what my predecessor had done.

Senator BYRD. So the answer is "yes." [Laughter.]

Mr. HORN. Yes; that's an expansion.

PERFORMANCE EVALUATION

Senator BYRD. You will have some questions supplied to you for answer by Tuesday. I am attempting to follow the wishes and recommendations of Mr. Mott as given to me a moment ago in response to my inquiry.

Are ratings that are based on conditions such as announcing a retirement date consistent with personnel management law and practice?

Mr. HORN. There were no ratings issued on any conditions of that nature. In one instance, there was advice provided to me during the ratings process by one of the involved entities which suggested a potential optional approach that was later not adopted.

Senator BYRD. Might this be a prohibited personnel practice?

Mr. HORN. It may be. I am not aware. My understanding is that during the evaluation procedure that I outlined, part of the purpose is to get advice from the different reviewing entities regarding the evaluation and performance of employees. That advice, in my mind, can be quite free wheeling and open ended. Of course, when we issue the final summary ratings, we are constrained, by law, to come up with rating levels 1 through 5 based on the objective criteria and the performance evaluations that have been done during the year.

Senator BYRD. Would you prepare a complete response for the record?

Mr. HORN. Yes, Mr. Chairman; we will.

NONCOMPLIANCE TO REPROGRAMMING DIRECTIVE

Senator BYRD. I want to be fair to you, Mr. Horn. But not only is this subcommittee troubled by your recommendation that the Secretary should ignore the subcommittee's reprogramming guidelines, not just this subcommittee's guidelines, but I am concerned at the appearance that the Assistant Secretary seems to be playing games among the career staff of our National Park Service. You will receive a list of questions. We would like for the answer to be complete. If they are not, we will ask you more.

Mr. HORN. Mr. Chairman, we will respond completely. I might add that I think this is purely a matter of appearance. I don't think there is any game playing going on. It is just an effort to work with the Service and discharge the legal obligations of my office, and to work cooperatively with the Director and his staff to promote the mission of the National Park Service. I think that this is a matter of appearances. I will be more than glad to respond very completely and adequately for the record.

Senator BYRD. Very well. We will be looking forward to the answers to the questions and we will be in a better position then to judge as to the game you are playing.

Are you willing at this time to review your decision to reorganize the Washington office of the Park Service without complying with our reprogramming guidelines and to submit the reprogramming as required by committee guidelines?

Mr. HORN. I think the position that the Secretary has expressed and articulated is that, basically, the reorganization is now a completed matter; it is in place. Based on the rationale that he has articulated for taking the action, it would be something on which I do not think he would want to reverse himself. I know that from the perspective of uncertainty, it would be something I would be very loath to retreat on as well.

Senator BYRD. Very well. We have your statement on the record and his statement, and the committee will consider its options.

Mr. HORN. Thank you, Mr. Chairman.

FUTURE COMPLIANCE WITH REPROGRAMMING DIRECTIVE

Senator BYRD. How do you think you will view these reprogramming requirements in the future?

Mr. HORN. As I indicated previously, we will try and will work to the maximum extent possible to be cooperative with the committees and abide by the guidance. As the Secretary indicated, there may arise circumstances, and I know that there are at least some circumstances here out of the many hundreds of guidances provided by the committees, where the Department has concluded, for programmatic effectiveness

and efficiency, that it was appropriate. But these are very limited cases, not to necessarily abide by that guidance. I don't think this represents any effort to ignore the committees on a broad-scale basis. I don't think it represents any effort to provoke an unnecessary confrontation. We want to work with the committees and try to maintain a high degree of cooperation and communication, understanding that there may be some times when events and circumstances cause us to come to different conclusions about what is an appropriate course of action. My hope is that we could continue to work cooperatively with the committees now and in the future.

Senator BYRD. I would hope so too.

IMPLEMENTATION OF FEE COLLECTION AUTHORITY

Mr. Mott, I would like to ask a few questions about the manner in which the Service is implementing the fee authority provided in the 1987 appropriation bill. Specifically, would you summarize for the subcommittee the implementation schedule, including a list of park units and collection techniques? In particular, would you fill us in on the Williamsburg Pass concept which is being proposed for use at places such as Harpers Ferry National Historical Park?

Mr. MOTT. I will answer your last question first.

In a number of areas we are looking at the possibility of one ticket that will permit people to visit several of the units or several of the buildings within that particular unit. At Harpers Ferry National Historical Park, for example, we have a ticket which I think the public will keep as a memento of their trip to Harpers Ferry, which will make it possible for them to visit several of the buildings just by showing the ticket. We think this is a very efficient and effective way of handling the fee collection in that particular location. We have a similar situation at Independence National Historical Park.

Part of this that I think needs to be understood is that if they buy that ticket, they can then come back to that particular unit over and over again during a 7-day period. So if a family came to Harpers Ferry, for example, and acquired the ticket, they may stay there for 2 or 3 days. That ticket would still be good during that period of time. So for one amount of money they have the opportunity to not only visit the units, but to spend the time at Harpers Ferry and come back over and over again during a 7-day period. I think under those circumstances, it is a very reasonable approach and a very satisfactory approach as far as the visitor is concerned. We think that is a proper approach to that program.

With regard to the implementation of the program, we have 134 park areas which are earmarked for entrance fees in 1987. Sixty-two require an entrance fee for admission in 1986. We will be adding to that 72 park areas in the next fiscal year if the legislation is approved.

As I indicated, our experience is that in those areas where we now are collecting fees, the public feels that they are participating. We have had good communications with the public. It gives us an opportunity to

give them a free brochure about the park, to explain to them what is going on in the park, and generally speaking, it has been my observation as well as comments that have come from our regional directors that the fee schedule is being well received.

CRITERIA FOR DETERMINING ENTRANCE FEES

Senator BYRD. In some of the units, 100 I understand, out of the 134, the entrance fee will be $1 per person. In the remaining 34 units the fee will be $2 per person. The proposed fee for the National Historical Park at Harpers Ferry, WV, is $2.

Could you explain how you determine which parks have a $1 fee and which have a $2 fee?

Mr. MOTT. We have used the Land and Water Conservation Fund Act criteria for that. Denis Galvin can explain that in greater detail. We have tried to treat every unit of the system on exactly the same basis.

As we review this we may make some adjustments. In using a formula such as the Land and Water Conservation Fund formula, we may find that there are some inconsistencies that we ought to correct, and we are looking at this very carefully.

Denis can explain the details if you would like that information.

Senator BYRD. Very well.

Mr. GALVIN. Mr. Chairman, one specific with respect to Harpers Ferry that the Director didn't mention is that, in addition, imposing a fee at Harpers Ferry will also enable visitors access to buildings that are now normally closed except in the summer. So part of the benefit of the particular proposal at Harpers Ferry will be to allow the public to enter facilities for the 9 months of the year that they are unable to enter now.

With respect to the construction of the fee for each individual area, as the Director mentioned, we did rely on the criteria spelled out in the Land and Water Conservation Fund Act.

I should say that early on in this process we felt strongly the need for a rationale for fees. As far as I know this is the first instance in the National Park System where such a rationale has been applied. In those areas where we have charged fees, they have varied over 60 or 70 years from as high as $7 per visitor back in the teens for some of the national parks to as low as 50 cents.

In this instance we applied six criteria: the direct and indirect cost to the Government; the benefits to the visitor; the public policy or interest served; comparable recreation fees charged by other public and private organizations in the area; other pertinent factors, such as whether there was enough built in a developing park; and then the economic and administrative feasibility of collection. If all other factors indicated that we could charge a fee but there was simply no administrative way we could do it because of multiple access or other reasons, we chose not to charge a fee.

So those criteria were applied to every unit in the National Park System. They were then sent to the regions and to each individual park.

Each individual park superintendent was allowed to comment, based on a Washington office application of these criteria, whether or not the area really met the fee proposal. The resulting 156 areas, 134 to be implemented this year and 22 next year, were chosen on that basis.

FEE PROGRAM AT HARPERS FERRY NATIONAL HISTORICAL PARK

Senator BYRD. Which of the buildings or facilities at Harpers Ferry would be open to the public without charge?

Mr. MOTT. Bob Stanton can answer that question.

Mr. STANTON. The building that will be open without charge will be the visitor center, which will be the key staging area where there will be basic information provided to all the visitors and basic orientation through a slide presentation. If they were to proceed to the John Brown Museum or the blacksmith shop there would be a fee, but they would be provided a special guide service.

So there will probably be six or seven buildings that will be free of admission.

Senator BYRD. How much do you estimate will be raised at Harpers Ferry?

Mr. STANTON. An estimated $264,000. That is based on roughly 1 million annual visitors to Harpers Ferry. That will be $2 per person and $5 per family.

Senator BYRD. How much of that would be retained by the park to supplement appropriations funding?

Mr. STANTON. The park will be retaining, I believe, about $100,000 to activate the fee program, which will include the hiring of additional staff. Plus it will receive a certain percentage in the neighborhood of about $50,000 to meet some basics, such as enhancement of the visitor service, archeological research, preservation of some of the artifacts and cultural preservation.

Mr. GALVIN. Actually, $106,600 for additional park purposes in addition to the $100,000 that Bob mentioned for the cost of collecting the fee. The total revenue to Harpers Ferry, including fee collection costs, is estimated to be $206,600.

In addition, Senator, the Director points out to me that there are other servicewide activities funded from the fee proposal for which other parks in the system can benefit. As an example, the cultural resources preservation fund would almost certainly benefit a park like Harpers Ferry, and that is funded totally through this fee proposal.

DISTRIBUTION OF FEE RECEIPTS

Senator BYRD. What about the remainder of the receipts. How will they be distributed?

Mr. GALVIN. In this fiscal year, of course, all the receipts go to the General Treasury and the Congress has appropriated the money in advance of the receipts. If I understand your question correctly, Senator, a portion of the fee proposal remains in the park, so to speak, and another portion of it obviously goes to cover the cost of collection. The

balance of it funds servicewide programs in research, resource management, interpretation, and maintenance related to resource management purposes.

Senator BYRD. Elsewhere?

Mr. GALVIN. Throughout the system, servicewide.

Senator BYRD. So you have $264,000 as the amount that would be raised, $100,000 for fee collection costs, $57,000 for park operations. How much for capital costs?

Mr. GALVIN. I believe the capital costs are included in the $100,000 figure.

Mr. STANTON. That's correct.

In addition, Harpers Ferry gets a pro rata share of $49,600 based on the formula specified in the law. That then totals the $206,600 that I testified to earlier.

Senator BYRD. So it would be about $57,400 that would go elsewhere in the system from Harpers Ferry.

Mr. GALVIN. Some of it might come back to Harpers Ferry. It goes to servicewide programs some of which have the potential to benefit Harpers Ferry.

EFFECT OF ENTRANCE FEE ON VISITATION

Senator BYRD. Do you feel that $2 fee would deter some of the visitors from visiting Harpers Ferry?

Mr. MOTT. That fee was established by this formula process, and we think that it is reasonable and fair. I think we will have a better feeling as to what the public thinks about this fee as we go through the summer season. At the present time we are not getting any serious objections to that. As I said, even in some cases the public is saying that children are permitted in free and they are saying "we feel we should pay," and they are doing that as a contribution, as an indication of their feeling in connection with helping to participate in this whole program.

PROJECTS FUNDED BY FEE RECEIPTS

Senator BYRD. What types of projects do you foresee as being funded by the fee receipts looking down the road at Harpers Ferry?

Mr. GALVIN. In Harpers Ferry itself, of course, we are funding the Harpers Ferry Center through the fee proposal; we are funding the information publications systemwide through revenues from the fee proposal. In addition, the fee funds directly available to Harpers Ferry will fund a survey of Maryland Heights at $76,000.

As I mentioned, there are servicewide programs such as volunteers-in-the-parks that are proposed to be not only funded but expanded through this fee proposal, and to the extent that a park like Harpers Ferry supports the efforts of volunteers, that program would be funded.

Senator BYRD. With specific reference to Harpers Ferry, looking not only at the 1987, but also at the 1988 and 1989 program, what do you see?

Mr. GALVIN. I think we could probably provide a list of projects for the record, Senator, when we get into those in future years.

[The information follows:]

PROJECTS TO BE FUNDED BY FEE RECEIPTS

A project list is not available at this time. The continued provision of additional money for enhanced park operations will depend upon the enactment of permanent legislation for fiscal year 1988.

SERVICEWIDE PROGRAMS TO BE FUNDED BY FEE RECEIPTS

Mr. MOTT. I think, Senator, also it is very important to understand that without this fee money there are readjustments that we will have to make to our budget which will be very serious in carrying out our objectives in the National Park Service. In fact, in reviewing this and looking at it in 1988 when we expect to collect in fees about $74 million, if we did not have that $74 million we would have a very difficult time in connection with our maintenance, in connection with our interpretation and our research. Many of these projects would actually have to be halted and it would have a serious effect on our ability to provide the public with a quality opportunity to come to the parks. That is what I am concerned about. I think that the public is perfectly willing to help support our program in order that they can have a quality experience both in the interpretation work that we do and the new folders that will be available free instead of charging for them, and the restoration of some of the exhibits, doing the necessary research so we can make proper judgment decisions and taking care of a lot of the maintenance that has to do with our natural resources and our cultural resources. I think the important bottom line on this whole program is that we now have an opportunity to work together with the general public to accomplish these objectives.

EMERGENCY WORK PERFORMED BY NATIONAL PARK SERVICE

Senator BYRD. I commend you on the work you are doing at Harpers Ferry. We are very proud of our park there, the buildings, the service.

Mr. MOTT. I think all of us know the tremendous effort that our people did in cleaning up that flood damage at Harpers Ferry and getting the buildings open and getting it ready for the public. I think that our crews down there did an outstanding job in doing that work. We are having the same kind of experience at Cape Cod, for example, where some of the public questioned the Federal Government being there. But after this last snowstorm when we were able to utilize our trained teams to help the people there and save lives, I think the people now have a better appreciation of what the National Park Service is all about.

Senator BYRD. That is the way we feel about it too. I followed the flood cleanup and stayed right on the backs of the agencies, FEMA, Soil Conservation Service, Army engineers, and others. We appreciate the work that was done by the Park Service.

NEW RIVER GORGE NATIONAL RIVER

The National Parks and Conservation Association released a report a few days ago which said that the policies of the Park Service and the Reagan administration have been a disaster for New River Gorge National River. The future of New River Gorge National River concerns me greatly.

Have you had an opportunity to review the report, Mr. Mott?

Mr. MOTT. Yes, I have. I have read the report, and our staff is now reviewing that report. I would like very much to present to you a statement from the National Park Service relative to this. Some of their points are very well taken, and we understand that. However, there are some comments that are made in here that I think are not correct and are exaggerated beyond what is reasonable. I would like to prepare for you a comment with regard to this report. We feel that they do a good job in being the burr under the saddle, so to speak, but I think also we have some areas in which we can defend our position very nicely.

Senator BYRD. Very well. I am sure the subcommittee will welcome your observations and comments and, where appropriate, your corrections.

Mr. MOTT. I might say, Mr. Chairman, in connection with the land acquisition, which is a point that they made, as you probably know there are two areas that we are now reviewing that will be consummated shortly. We have the appraisals now. Those will add some 4,000 to 5,000 acres to our park down there. However, for continuing our land acquisition we are going to need additional funding, because the money that we now have, approximately $6 million, will be used up in these two major acquisitions, and in order to complete the acquisition of about another 3,000 acres, we will require additional funding.

Senator BYRD. With respect to the land acquisition program, the report is summarized as follows: The New River Gorge's land acquisition program, authorized in 1978, is less than 10 percent complete. The senior land acquisition staff has left for better jobs because of the relatively low grade levels available at the park. I am told that the Service refused to station permanent land acquisition staff there.

Little progress has been made in preserving historic resources, or in interpreting them to the public. I believe I am correct in saying that not a single historic site has been stabilized and no planning has been done to date at major sites such as Thurmond and Kaymoor.

While the park has a full-time law enforcement ranger, no specific law enforcement presence has been established at the southern end of the 52-mile long national river in Hinton. Trails have not been developed to any significant degree, nor have any overlooks or wayside exhibits been upgraded.

RESPONSE TO REPORT

You will have an opportunity to elaborate more fully, but how do you respond at this moment to the NPCA's report, Mr. Mott?

Mr. MOTT. I would like to have our regional director comment on this. I have gone over this report in considerable detail. We have had a staff meeting on this to discuss it, but I think Mr. Coleman can bring you up to date where we are on these matters.

Mr. COLEMAN. We do have a land office at New River. We have a staff of land acquisition officers, realty specialists, cartographic technicians, and appraisers. Not all of those are permanent employees. We have had trouble filling some of the jobs. We have had some turnover. But we are in the process of trying to maintain that office fully staffed.

We are in the process of doing development concept plans this year. Those development concept plans will produce plans for the final development.

A number of the trails and overlooks, we have plans to do that, but a lot of those are on lands that we do not own yet.

I think that the park superintendent down there, who has left, did an outstanding job in opening up visitor facilities.

Senator BYRD. Are you in a position to indicate which of those jobs which you just referred to are vacant now?

Mr. COLEMAN. The land acquisition officer is open.

Senator BYRD. Are there any others vacant that you mentioned?

Mr. COLEMAN. I believe the cartographer is vacant also.

Senator BYRD. Are there any others?

Mr. COLEMAN. I am not really sure. I don't believe so.

Senator BYRD. So some of them are vacant.

Mr. COLEMAN. That's correct. We are working expeditiously to advertise and fill them.

Senator BYRD. I personally have pushed for construction of a permanent park headquarters at Glen Jean and for construction of a temporary visitor center and comfort station at Canyon Rim; for land acquisition and for an informational trailer at Hinton; for funding for the preparation of a development concept plan for the Prince area, and another for the Sandstone Falls area; and for other funding increases to cover such basic activities as operating money for rangers and interpretive staff.

BUDGET REDUCTION

In spite of the support I have provided, and in spite of the problems noted in the report by the National Parks and Conservation Association, I was astonished to see that funding requested to support operations at New River in fiscal year 1988 was actually decreased from fiscal year 1987, a reduction of $78,200, or 8 percent. The overall funding request for operation of the National Park System is up 6 percent from 1987 appropriations to date, but funding for New River is reduced 8 percent. Why is that, Mr. Mott?

Mr. GALVIN. Senator, the reduction is because of money that was provided for planning activities last year that will be completed.

Ninety-one thousand dollars was provided in 1987 for the development of two concept plans at New River Gorge, $53,000 for the Prince

area, and $38,000 for Sandstone Falls. Some of that planning activity will be completed by the end of 1987. We will not require additional funds for that planning activity in 1988.

SERVICEWIDE FUNDING

Senator BYRD. According to the budget justification, no money is requested for planning or construction of new projects at the New River. No additional funds are requested for land acquisition. In fact, the budget proposes to rescind the $1 million that I worked to get added last year. Aren't there some projects that need funding in fiscal year 1988?

Mr. HORN. Mr. Chairman, let me answer that. The decision on both the rescissions and to hold the fiscal year 1988 construction request to around $30 million, which is a modest increase over our request last year, was based on our effort to come in with a budget that would permit us to meet the Gramm-Rudman-Hollings deficit reduction targets. We wanted to maintain operations strong but we had to focus our proposed reductions for deficit purposes in some areas and concluded that the areas of construction and land acquisition could be deferred for some period of time.

Senator BYRD. Do you think you are going to get that rescission?

Mr. HORN. I think our batting average on rescissions in the past is not going to get us to Cooperstown. I know it is here for congressional consideration and for you to make a decision on the proposal submitted. Obviously if Congress rejects the proposed rescission, we would obviously proceed expeditiously to expend those funds and undertake the noted projects.

Senator BYRD. You don't think you will recommend to the Secretary otherwise?

Mr. HORN. Absolutely not. The policy we have had is that when Congress appropriates the funds we then go ahead and undertake the projects as noted.

Senator BYRD. So you do listen to the Congress once in a while, don't you?

Mr. HORN. Absolutely.

KAYMOOR MINE AND COKE OVENS

Senator BYRD. What are your plans for interpreting the Kaymoor Mine area?

Mr. MOTT. This is an area that I think is very important. We have just recorded this by the American Engineering records, and we are in the process of developing that area as our major interpretive center for the particular area. We will be looking at it from the standpoint of restoring some of the structures there and developing it as a major interpretive center.

Senator BYRD. What needs to be done to stabilize the most significant of the numerous coke ovens scattered throughout the gorge that are getting older every year?

Mr. MOTT. Mr. Chairman, in connection with that, we are studying this. Obviously we probably will not restore all of the coke ovens, but we will be restoring some of them so that we can tell that story. Those that we can't restore we will probably keep photographic records and drawings of the areas. But normally we do not try to do all of the historic features in a particular area. Where there are several of them we will restore some so that they can see exactly what they are like and keep them in that kind of condition. I believe that is the plan that we have for New River.

Maybe Jerry Rogers, who handles our historic restoration work, might like to make a comment with regard to that.

Mr. ROGERS. Mr. Chairman, I believe that we are concentrating on analyzing the coke ovens nearest the Kaymoor area where there is a high concentration of extremely significant historic resources relating to the coal mining field. This is pending the outcome of our evaluation. We will most likely determine that those would be the ones preferable for restoration whereas others might be best simply for recording and managing in other ways.

NEW RIVER PARK AUTHORITY

Senator BYRD. It was about 4 years ago, I believe, that Director Russell Dickenson said that the Service would cooperate on the planning for the New River Parkway Authority. I understand that $50,000 is needed for cooperative planning efforts in fiscal year 1988.

Are you prepared to provide those funds within your base budget?

Mr. GALVIN. Mr. Chairman, we are proceeding with the concept plan for the New River Parkway, and I believe that is being funded from our planning budget. A draft concept plan is about completed, and the New River Parkway Authority is expected to release the document for public review and comment during the summer of 1987.

The answer, Senator, is yes, we do have available funds for that study.

HARPERS FERRY CENTER

Senator BYRD. Back to Harpers Ferry. Nine and one-half million dollars of the fee receipts in 1988 are budgeted for interpretation and visitor services. If the fee proposal is not enacted, will the Service close the Harpers Ferry, WV, Interpretive Design Center?

Mr. MOTT. No; we will not close it. We will have to, of course, review our budget priorities and readjust our budget, but we do not intend to close it even if we do not get the fee money.

Senator BYRD. Do we have your assurance that the center will be fully funded next year?

Mr. MOTT. Yes; to the extent that we have funds available for that purpose. If we don't get the fee money, obviously there will be some things that we will not be able to go forward with that we will be able to do with fee money.

Senator BYRD. Thank you for your attendance here today, Mr. Mott, Mr. Horn, and also all of you who have come from various places and distances to attend the hearing.

PREPARED STATEMENT OF SENATOR BURDICK

The subcommittee has received a statement from Senator Quentin Burdick which he asked be placed in the record.

[The statement follows:]

STATEMENT OF SENATOR QUENTIN N. BURDICK

President Reagan's 1988 budget includes over $22 billion in new, as they say, revenue raising initiatives. Among other things, these initiatives include selling assets and increasing user fees.

The new proposed entrance fees for our Nation's park system is simply one more attempt by the administration to sneak a tax increase in through the backdoor. If the administration needs new revenue to meet its targets, then why not be upfront with the American people?

Why not provide the much needed leadership to make the hard decisions. Picking the pockets of the American people $74 million at a time—which is the amount the Park Service estimates it will collect—is not the way to reduce the budget deficit. Why tax those who aren't fortunate enough to own a vacation home in Florida or California? Many of our Nation's low- and middle-income families find our national parks an economical way to spend vacations.

One argument in favor of entrance fees is that those who receive the benefit of the parks are the ones who should pay for them. I would like to ask—are the people who visit our parks the only ones who benefit from them? Isn't restoring and preserving a piece of this beautiful country an interest we all share?

I tend to believe that those who visit the parks are not the only ones who benefit.

Not far from here we have the Library of Congress. It is one example of a service Congress has decided should be accessible to everyone, regardless of income.

We realize that an educated public is in the best interest of our country. We know that in the long run, we will all benefit from what is learned. Preserving the value of our national resources is every bit as important as an educated public.

Let's not shirk our responsibility of maintaining our national parks. I would also like to submit for the record several questions I have regarding the Knife River historic site and the Fort Union Trading Post—both which are located in North Dakota.

ADDITIONAL COMMITTEE QUESTIONS

Senator BYRD. We will have some additional questions for the record, and I would expect that other members may also have questions. We would appreciate your prompt responses.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

ADVERSE EFFECTS OF REORGANIZATION

Question: Mr. Horn, would you and the Director care to detail for us at this time some of those adverse effects?

Answer: There had been a number of press accounts associated with the reorganization which were reporting a good deal of misinformation. This misinformation was beginning to preoccupy senior managers within the National Park Service (NPS), adversely impact their performance, and had resulted in very poor morale Servicewide.

COSTS OF THE REORGANIZATION

Question: Provide a detail of costs of the reorganization.

Answer: The detail of costs and savings and potential efficiencies are:

Funding For NPS Reorganization

I. COSTS

Direct cost for first full year		Amount
(Note: salary levels will vary with incumbents; therefore, an average step level 3 is used for each position.)		
Positions created and shown in revised Departmental Manual		
Associate Director, Policy, Budget and Administration	ES	70,700
Deputy Associate Director, Policy, Budget and Administration	GM 15/3	57,418
Secretary	GS 7/3	19,582
Assistant Director, Interpretation (Vacant)	GM 15/3	57,418
Secretary	GS 7/3	19,582
Assistant Director, Comptroller	GM 15/3	57,418
Secretary	GS 7/3	19,582
Assistant Director, Visitor Services	GM 15/3	57,418
Secretary	GS 7/3	19,582
		378,700
Benefits and support costs	(25%)	94,675
		473,375
Additional positions created, not related to organizational structure:		
Advisor for Science and Technology	ES	72,500
Secretary	GS 8/3	21,689
		94,189
Benefits and support costs	(25%)	23,547
		117,736
Total costs		591,111

II. BENEFITS

Direct savings for first full year		Amount
Positions Abolished:		
Function of Associate Director, Administration 1/	ES	70,700
Assistant Director, Financial and Data Systems	GM 15/3	57,418
Chief, Visitor Services Division	GM 15/3	57,418
Secretary	GS 7/3	19,582
		205,118
Benefits and support costs		51,280
Total direct benefits		256,398
Net of direct costs minus direct benefits		334,713

1/ Note: This function was created and filled in late fiscal year 1986. The cost is new for fiscal year 1987; however, it would have occurred regardless of the reorganization.

Cost Avoidance

Positions abolished which had been vacant:

Assistant Director, Cultural Resources Management	GM 15/3	57,418
Secretary	GS 7/3	19,582
Assistant Director, Cultural Resources Assistance	GM 15/3	57,418
Secretary	GS 7/3	19,582
		154,000
Benefits and support costs		38,500
		192,500

Potential Savings

The National Park Service anticipates that consolidation of the Energy, Mining, and Minerals Division into the Land Resources Division will result in the decrease of supervisory positions at some time in the future:

Division Chief	GM 15/3	57,418
Secretary	GS 7/3	19,582
		77,000
Benefits and support costs		19,250
		96,250

Long-Term Benefits

The long-term benefits listed below have not yet been quantified. However, we are persuaded that there are significant benefits in the approaches outlined and the

potential for increased savings as the implementation process continues.

-- Transfer of policy development function to budget and administration functions should strengthen the analytical ability within the latter functions to integrate and improve current budget and finance functions and provide for more efficient use of resources.
-- Having a Science and Technology Advisor reporting to the Director will more effectively focus on scientific and technological advances with potential efficiencies.
-- The comptroller with no duties related to data systems and primarily focused on finance systems should expedite consolidation of the finance activities, leading to substantial savings.
-- Transfer of the Data Systems Division to be more closely aligned with contracting and procurement could expedite the initiative on a Servicewide contract for computer hardware purchase. The result of this contract will not only be significant dollar savings, but greatly increased efficiencies.
-- Centralizing interpretive activities will eliminate duplication of efforts now being carried out both at the Washington and Regional levels, resulting in the better use of resources.
-- Linking the maintenance management system to visitor services will create efficiencies as the systems become fully integrated with ongoing park activities.
-- More effective use of resources will result from increased focus on wildlife and vegetation issues. The Service will be able to act constructively rather than react to critical situations.

III. FINANCING THE REORGANIZATION

The costs of the reorganization will be covered within available resources. The National Park Service has held in reserve for the Washington Office those fiscal year 1987 funds appropriated to restore the Gramm-Rudman-Hollings reductions in the Washington Office during fiscal year 1986. These funds, shown below by activity and location, will be used to cover the additional costs of the reorganization and other activities related to the administration of the National Park Service.

Amounts Held in Reserve for Fiscal Year 1987 -
NPS Washington Office

Park Management	
Associate Director, Cultural Resources	55,000
Associate Director, Natural Resources	143,000
Subtotal	198,000

General Administration

Director's Office	129,000
Assistant Director, Personnel and Administration	193,000
Assistant Director, Financial and Data Systems	222,000
Associate Director, Cultural Resources	9,000
Associate Director, Park Operations	6,000
Associate Director, Planning and Development	8,000
Subtotal	567,000
Grand Total	765,000

DIRECTOR'S DECISIONS

Question: Will the Assistant Secretary agree that even though he is legally the appointing official, he will permit the Director to make the decisions without interference?

Answer: While the Director and I have agreed to continue to consult on all selections of key personnel within the National Park Service, I do not anticipate a case in which the Director's selection will not be forwarded for Departmental approval.

REVIEW OF PERSONNEL RECOMMENDATIONS

Question: Is it true that you reversed several of the personnel recommendations for the Director? Why? Be specific, by individual. Also, what were the PRB ratings, by person and by member of the PRB.

Answer: The Performance Review Board members did not individually indicate their recommendation by senior executive. Thus, I am unable to provide their individual rating by each senior executive reviewed. However, after reviewing the same materials utilized by the Director to decide on his rating, the Performance Review Board made all of their recommendations to me by consensus.

With respect to differences between my final ratings and the Director's ratings, I offer the following comments.

It is important to note that the Secretary admonished each of the Assistant Secretaries to be much more rigorous in applying the performance review process within the bureaus under their supervision. In commencing this rating period, the senior executive performance standards were revamped and constructed to ensure consistency and improved comparability between all senior executives employed within the National Park Service and the Fish and Wildlife Service.

Further, both bureaus were counseled that a level III rating should not carry the perception that the individual has not fully performed at an acceptable level, but rather should be seen as a fully successful rating which does not preclude either an increase in pay rate, bonus or special achievement award depending on the circumstances associated with an individual executive's performance. The level II rating was to be reserved for

executives who had clearly performed at a full performance level which exceeded expectations associated with their performance standards. Finally, the level I rating was to be awarded when an executive far exceeded the expectations indicated in their performance standards. When I reviewed the recommendations provided to me, I was not convinced that either the Acting Director of the Fish and Wildlife Service or the Director of the National Park Service had applied this guidance strictly enough for the executives they reviewed. Further, it was my desire that those executives that had clearly demonstrated performance which far exceeded the expectations indicated in their performance standards were recognized for their accomplishments. Thus, I did apply this philosophy in my final ratings as well as in my recommendations to the Executive Resources Board as associated with bonuses and rate increases for both bureaus under my supervision.

My final ratings for the NPS assigned three senior executives a level I rating, including the Director, Mr. Baker, and Mr. Cables compared to the Director's rating of four level I executives. The difference was my level II rating of Mr. Galvin. In addition, I recommended bonuses for level I employees totaling $18,000 which differed with the Director's recommendation of $16,000 by $2,000. While Mr. Galvin consistently performed at a level which exceeded the expectations indicated in his performance standards, there were instances related to Management By Objectives, correspondence control, and other management level issues which did not justify his designation at a far exceeded performance level.

The most significant difference in my final rating and the Director's was at the level II. In this instance, the Director designated 10 executives at level II as compared with my decision to designate four executives at this level. I concurred with the Director on level II ratings for Mr. Cook, Mr. Fish, and Mr. Rogers. However, I did not concur that Mr. Albright, Mr. Odegaard, Ms. Mintzmeyer, Mr. Evison, Mr. Coleman, Mr. Briceland, or Mr. Chapman had exceeded expectations indicated in their performance standards. However, I concluded that each of them had performed at a fully successful level. It is important to note that prior to my final consultations with the Director, I was concerned that Mr. Briceland and Mr. Chapman did not appear to be performing at a fully successful level. I reconsidered my tentative conclusion after my discussions with the Director. With respect to bonus and increases in pay rate recommendations to the Executive Resources Board, I recommended bonuses of $19,000 compared with the Director's recommendation of $18,500 or a difference of $500. Finally, I recommended one increase in pay rate while the Director recommended two.

A copy of the form detailing all of the recommendations forwarded to me by the Director and Performance Review Board, as well as my final rating of each senior executive, follows:

RECOMMENDATIONS REPORT
NATIONAL PARK SERVICE
1986

* = NON-CAREER
† = DISTINGUISHED
‡ = MERITORIOUS

SES MEMBER	ES	PRIOR YEAR HISTORICAL LEVEL	PRIOR YEAR HISTORICAL ACTION	PRIOR YEAR HISTORICAL BONUS	SUPERVISOR'S RECOMMENDATION LEVEL	SUPERVISOR'S RECOMMENDATION ACTION	SUPERVISOR'S RECOMMENDATION BONUS	PRB RECOMMENDATION LEVEL	PRB RECOMMENDATION ACTION	PRB RECOMMENDATION BONUS	ASSISTANT SECRETARY'S FINAL RATING LEVEL	ASSISTANT SECRETARY'S FINAL RATING ACTION	ASSISTANT SECRETARY'S FINAL RATING BONUS
ALBRIGHT, NPS	4	2			2		4000	2		7500	3		
BAKER, NPS	4	1		6000	1		5000	1		9900	1		9000
BRICELAND, NPS	5	2			2		3500	4			3		
CABLES, NPS	4	2	3 -> 4	3600	1		5000	1		9900	1		9000
CHAPMAN, NPS	4	2			2			3			3		
COLEMAN, NPS	4	2		4000	2		4000	2		7500	3		
COOK, NPS	4	1		6000	2			2			2		5000
DAVIS, NPS	4				3			3			3		
EVISON, NPS	4	3			2			3			3		
FISH, NPS	5	1		6000	2			2		7500	2		4000
GALVIN, NPS	4				1	4 -> 5	6000	1		9900	2		6000
GILLIARD-PAYNE, NPS	3	2			3			3			3		
MINTZMYER, NPS	4	2	3 -> 4		2			3			3		
MOTT, * NPS	5				1			1			1		
ODEGAARD, NPS	3				2	3 -> 4	3500	3	3 -> 4		3	3 -> 4	
ROGERS, NPS	4	1		5500	2		3500	2		3500	2		4000
SUDIA, NPS	4	2			3			3			3		
WRIGHT, NPS	4	2			3			3			3		
BONUS TOTALS:				31100			34500			55700			37000

FUTURE DIRECTION OF THE AGENCY

Question: Is this a part of the larger picture having to do with the future direction of the agency?

Answer: As is now clear, there is no implication to the future direction of the National Park Service inherent in either implementation of the senior executive review process or individual ratings described here. However, there is a continuing commitment to be aggressive in holding executives accountable for their performance during the rating period and rewarding the exemplary performance of individual executives in accordance with the procedures under which we operate.

PERSONNEL PROCEDURES

Question: Were you working within the proper procedures, as contained in the Department's Personnel Manual?

Answer: Clearly, the Director and I are persuaded that we did not review our mutual perceptions related to executive performance as often as we should have during the last rating period and have already begun a process of discussing performance more routinely. However, the performance evaluation process is operated within applicable Office of Personnel Management regulations and the Department of the Interior's manual procedures.

PERFORMANCE EVALUATION

Question: Mr. Horn, did you rate or consider rating Mr. Chapman as a "4?" Did you want him reassigned? Explain in detail. Ask Mr. Chapman to review and comment on Mr. Horn's original ratings and Mr. Horn's final rating.

Answer. Prior to discussing this matter in detail, it is important that the committee understand that the press accounts which indicate that I have a personal vendetta against Mr. Chapman are clearly without foundation. Further, I am astonished that anyone could think differently when they review Mr. Chapman's meritorious 40-year career with the National Park Service. I do not conduct vendettas.

As the record shows, the Director rated Mr. Chapman at the level II which would indicate he exceeded the expectations indicated in his performance standards. However, the Director did not forward a recommendation for either a rate increase or a bonus for Mr. Chapman.

Upon receipt of both the Director's performance rating and the evaluation and advice of the Performance Review Board, I reviewed the issues associated with the Western Region in which I had been personally involved.

Under the performance standard related to "Private Sector Initiatives," I had a letter indicating frustration over Mr. Chapman's apparent refusal to expedite an Environmental Impact Statement for Decker Canyon which upon completion would have

facilitated the construction of an environmental study center with significant benefits to senior citizens and handicapped individuals in Santa Monica National Recreation Area with $2.5 million of private funds. The Director later reversed Mr. Chapman's decision and proposed an expedited schedule.

Under the performance standard related to "Human Resource Management," I recalled that Mr. Chapman was the subject of the largest unresolved class action Equal Employment Opportunity suit in the history of the National Park Service. The final disposition of this suit is now pending in my office.

Under the performance standard related to "Audit Responsiveness," I recalled that my personal intervention as well as that of the Director was required to resolve the audit funding associated with health, public safety, and liability issues of the Haslett Warehouse. This was an instance in which the decision to close the facility had to be made in Washington. Several months after that decision was made, the Region had still not taken final actions required. Further, actions from Washington had to be taken to ensure that the decision was implemented.

Under the performance standards related to "Program Effectiveness and Resource conflict Management," a longstanding directive issued by Director Dickenson and continued under Director Mott related to completion of the land protection plan for Yosemite National Park and implementation of the Director's policy decision remains undone. During the rating period, several verbal and written directives were issued and apparently ignored. Another issue of significant magnitude surrounds the Inspector General's review of the basis for the National Park Service's recommendations associated with the safety and potential noise issues at the Grand Canyon National Park. After the Secretary had heard from a number of interested parties, he felt compelled to request the review. This matter has now been referred to the Federal Aviation Administration with a recommendation to conduct a credible study to develop appropriate recommendations relative to both issues based upon sound and objective data.

Under the performance standard related to "Park Operations" and impacting several other of Mr. Chapman's standards, I remain concerned about the illegal drug activities and wiretap problems, identified by the Inspector General during the rating period, which Mr. Chapman appeared to know nothing about. This issue had to be handled in Washington by the Director. Additionally, employee morale as well as overall management of the housing situation in Yosemite has required my personal attention. This remains the only such problem of its type in the National Park System.

This extensive list of issues arising from the Western Region requiring my personal intervention is not comparable to anything emanating from the other Regions. These items created a prima facie case of less than fully satisfactory management within the Western Region. I was further concerned that part of the problem appears to be that Mr. Chapman spends more time in travel status and out of his Region than any of the other Regional Directors. This would not be a significant issue to me if the Region had a

deputy to conduct the day-to-day activities of the Region and be in closer contact with the parks and groups associated with the issues confronting the National Park Service. The Western Region is the only Region that has attempted to operate without a deputy. Given the complexity and number of issues before the Region, this has been a poor management decision by the Regional Director.

Thus, I did reach a tentative conclusion as reflected in a "preliminary rating" for Mr. Chapman at the level IV which within the Senior Executive Service performance review process must be characterized as the tentative conclusion that I reached. As this was only a tentative conclusion pending further consultation with the Director, it was never formally submitted for Mr. Chapman's review nor rebuttal. The Senior Executive Service performance review process would have afforded that opportunity had the Director concurred with my tentative conclusion and provided my comments related to Mr. Chapman's performance to him for his consideration. However, before the rating was finalized, the Director had convinced me to reconsider based upon performance information not a part of my files and rate Mr. Chapman at the level III.

I believe this entire situation to be most unfortunate, but given the strictures of the Privacy Act, I have been unwilling to discuss these personal matters related to Mr. Chapman's performance with the press and the committees. However, as the Congress is exempt from the strictures of the Privacy Act, I have fully responded to your inquiry.

The following is Mr. Chapman's response:

PERFORMANCE RATING/REGIONAL DIRECTOR'S TRAVEL/DEPUTY REGIONAL DIRECTOR POSITION

Senate Subcommittee question to Mr. Horn. "Did you rate or consider rating Mr. Chapman as a four? Did you want him reassigned? Explain in detail."

In the third paragraph, under this question Mr. Horn refers to "discussion was somewhat moot, when the Director informed me that Mr. Chapman indicated that he was planning to retire in September of 1987."

The issue of my retirement is a matter basic to much of what has surrounded this entire controversy. Some background is called for:

On April 9, 1986, I was informed by Deputy Director Galvin that Director Mott was proposing to reassign me to the Santa Fe, NM office as Regional Director. No reason based on performance was offered except that my long tenure in San Francisco made it time to relocate and allow for the reassignment of the Washington Office Associate Director for Operations to take my place. I indicated that since I was approaching my 40th year of federal service in March, 1987, and that since I would undoubtedly retire within the next couple of years that to learn a new region and to be effective in applying that knowledge to the region's program over a time frame of only a couple years was probably not cost or time efficient. I was then directed to meet with Director Mott and did so in Washington, D.C. on Monday, April 14. I restated my position to him at that time and he advised me that he would not force my reassignment if it was against my wishes. He indicated however that he needed to know my retirement plans. I advised that my immediate goal was to reach 40 years service in March, 1987, and then it would depend on health, job satisfaction, and if I were performing creditably that would determine when that date would be. The matter rested until mid-May when I was summoned to meet with Director Mott in Oakland on May 24. In this meeting Director Mott pressed for a retirement date. I responded again that with my immediate target still ten months away I was reluctant to commit to any date since doing so impacts one's authority when dates are announced so far in advance. The Director indicated understanding of this and said that I certainly did not have to announce publicly until a short time before the event. However, he still wanted a date on which he could still do some planning. While reluctant to state any date but under continued pressure I told the Director a date of September, 1987 would be a time for further discussion. I might retire before, on, or after that date. The factors of health, job satisfaction, and work quality in his eyes would still dictate the date. That was all I would agree to. We left it at that until about two weeks later I began to hear rumors that I was planning to retire in September, 1987. It was finally in August, 1986 when I was called by Assistant Director Powers that Associate Director Davis had told him my performance rating would depend on my putting in writing my date of retirement. Then I learned Director Mott had penned a memorandum to the files regarding the May 24 meeting that I intended to retire in September, 1987.

Then in late August when I was with the Director again he stated that he had to have from me in writing when I would retire. I repeated my previous reasons and rationale for eventually setting that time but that I was not willing to put that in writing. He advised me that he was under pressure from the Assistant Secretary's office to have it so reduced. I told him that I had been informed that my performance evaluation seemed to be riding on putting this in writing and due to such inferences I would not reduce to writing any date. At this point the Director showed concern that there were efforts to tamper with his performance rating of me. This verbal issue of threatening a change in performance ratings continued for several months. And then in November I learned verbally that I was to receive a level 4 from Assistant Secretary Horn. It was not until December 5 that I was given a copy of Assistant Secretary Horn's October 30, 1986 memorandum to Director Mott that he was providing his preliminary summary rating of level 4 and that he believed that an immediate reassignment should be considered based on my performance for the rating period. He offered no

particulars or what the performance deficiencies were and according to both Director Mott and Deputy Director Galvin they had been given nothing to document performance deficiencies. I was left to wonder about the threat of a level 4 until after the new year started when I received a copy of Assistant Director Powers December 23, 1986 memorandum transmitting to me a copy of my completed performance appraisal package that showed Assistant Secretary Horn had signed off on December 17, 1986, giving me a level 3. It was not until February 25, 1987 in testimony before the House Subcommittee on appropriations that I finally heard what the charges in performance inadequacy were. There follows my response to the issues of my performance that he has raised in the questions before the Senate Subcommittee on Appropriations.

Mr. Horn believes that part of my performance problem is that I spend more time in travel status and out of my region than any other regional director. He believes this is compounded by my not having a deputy. It should be noted that one other region has eliminated a deputy regional director by combining that position with the Associate Regional Director for Operations - that being the Pacific Northwest Region. Further, the Western Region operated with a similar position combination up until 1972. I elected to eliminate the deputy position and combine these responsibilities with the Associate Regional Director for Operations. When we were directed by the Secretary's office to reduce central office positions and to meet grade bulge reduction targets. However, in October 1984 with the concurrence of Director Dickenson, I sought to fill the deputy regional director position by providing a developmental experience for Mr. Kenneth Raithel who had management potential that would have complemented my style of management. This proposal was vetoed by then Assistant Secretary Arnett because the person lacked field experience, that there had not been competition in the selection of the individual and finally that the Assistant Secretary was not convinced that the position was needed. Since then I have taken the position that the Deputy position and "Assistant to" positions can be eliminated and thereby reduce layering if we delegate responsibility and the authority to the principal positions in the regional office directorate. By so doing on a servicewide basis we could save $750,00 annually or that savings could be directed toward and used more effectively in field operations such as maintenance, resource management or visitor service.

In terms of travel I have followed a management strategy that stresses knowledge of field operations in order that I can represent my region in appropriations hearings, in other congressional oversight inquiries, in priority setting sessions on operating and construction funding sessions with the Washington directorate and in countless forums where I am before the public representing the western region. I have a large region - California, Nevada, Arizona (except for Glen Canyon and Navajo Reservation), Hawaii, Guam, Saipan, and American Samoa. This region stretches one-third the distance around the globe. Further, this region has major parks where issues are constantly in the public eye as well as having high congressional interest such as: Yosemite, Grand Canyon, Lake Mead, Redwood, Hawaii Volcanoes, Sequoia-Kings Canyon, Santa Monica Mountains, Death Valley, Channel Islands, Golden Gate and Point Reyes. I make it a practice to evaluate each superintendent in a personal counseling session when in his or her own park in order to review the issues where they take place and to observe conditions and also our response to the public. There are 21 park superintendents out of 35 in the region that report directly to me. In addition, I and the appropriate superintendents meet quarterly with the Denver Service Center staff in Denver to go over planning and construction projects in the western region. Each quarterly session lasts 3 days. Also I meet semi-annually with my chief of interpretation at the Harpers Ferry Center to go over interpretive projects being planned or constructed by this interpretive center. Because of the high visibility of park issues in this region, I make a particular point of contacting members of Congress when I am in Washington to brief them on or respond to issues that concern them. I insure that new members of congress are provided with briefings on parks and issues in their respective state

and/or district. Consultation with the director and his staff result in an average of ten trips to Washington, D.C. which in the last year involved briefings on the Yosemite drug investigation, Grand Canyon aircraft management, land acquisition at several areas but notably Santa Monica Mountains, Yosemite, Golden Gate and Point Reyes. Fundraising issues primarily in Yosemite, Lassen Volcanic and Sequoia-Kings Canyon. Concession issues at Sequoia-Kings Canyon and personnel issues dealing primarily with selection and performance review. Special emphasis has been given to consulting with the Washington Equal Opportunity staff and to insure that complaints are equitably and speedily dealt with. It should be noted that considerable time was spent in Washington in pursuit of the resolution of the class action suit brought by the Hispanics referred to later in this response. This settlement was achieved without assistance from the Assistant Secretary's office while the individual complaints languished in Mr. Horn's office. Additional trips to Washington were for regional director meetings (two) and Senate and House Appropriations Subcommittee hearings in addition a weeklong regional directors meeting was held in Fort Collins, Colorado. Finally, one trip to Washington was for three days management training at the Brookings Institute. My total travel average is 65% of my time out of the office in the above activities. Whenever out of my office I maintain contact with my Associate Regional Director for Operations. As a seasoned park manager, he serves as my principal assistant and is accepted in the regional office as my deputy in addition to his duties as Associate Regional Director for Operations. My travel schedule is planned a month in advance so that it is possible for regional personnel as well as park superintendents to reach me wherever I may be -- whether within the regional office or the parks in my region. I can, and have been reached at all hours of the day or night whether in Washington, D.C. or Guam, U.S.A. or any point in between. I have conscientiously made my travel schedule and the means of contacting me as widely known in the region as possible to insure that there was no isolation from those who needed me or those I need to contact to carry out my responsibilities as regional director.

I do not believe that the issues cited by Mr. Horn would have had any different outcomes if the Western Region had the benefit of a position title Deputy Regional Director or if I personally traveled less or more on official business. As will be discussed, the issues of drug use and trafficking at Yosemite, tenant dissatisfaction with their rental rates at Yosemite, our requirement that the total access campground proposal for Santa Monica Mountains not be permitted without assurance for sewer system capacity, the lack of a minority representation in the Western Region (and typical elsewhere in the NPS), or the time taken to orderly evict business tenants from the Haslett Warehouse, or to finalize a land protection plan for Yosemite that impinged upon the prerogatives of Congress, or a park professional staff that prepared an aircraft management plan supported by ten studies and a public concern about solitude in the Grand Canyon are evidence of a complex region with problems met and dealt with greater finality than Mr. Horn seems to be aware.

DECKER CANYON
TOTAL ACCESS CAMPING PROPOSAL
CHRONOLOGY

Regarding Mr. Horn's "documentation of Mr. Chapman's refusal to issue a permit to a group that had requested to construct a facility for the elderly and disabled in Santa Monica NRA to provide access to the area with private funds. The Director later reversed Mr. Chapman's decision."

I submit the following chronology of events and comments:

May, 1983 - Santa Monica Mountains National Recreation Area was contacted by Burt Waldrich seeking a site for a permanent camp in

the mountains for serving the handicapped adults and families. A number of sites were reviewed for potential. The Santa Monica Mountains Conservancy (a state agency) located an ideal site, but negotiations with the landowner fell through. The Decker Canyon site was the next best location.

SEPTEMBER, 1983 - Total Access Camping was incorporated to seek approval for plan, fundraise for, build and operate a barrier-free overnight environment study center.

MARCH, 1985 - Total Access Camping made a formal proposal to the Santa Monica Mountains National Recreation Area Advisory Commission for constructing the total access camp at Decker Canyon. The Advisory Commission approved the project. The Santa Monica Mountains NRA then contacted the Regional Office to seek concurrence and begin the necessary development concept plan (DCP) and environmental impact analysis to meet National Environmental Protection Act requirements. It was agreed that an environmental impact statement (EIS) was required. The DCP/EIS was budgeted by the Region and work undertaken by the Denver Service Center.

AUGUST, 1985 - The Task Directive, the first step to assign responsibilities in any major NPS planning work, was prepared by the Denver Service Center and approved by the park superintendent and myself. Work began on the EIS.

JANUARY 6, 1986 - The DCP/EIS process found the 151-acre Decker Canyon property, included Native American archeological sites and fragile riparian habitat as well as terrain unsuitable for structures. The Task Directive was amended to include an evaluation of alternative sites. Several sites for locating the camp were evaluated. Decker Canyon was still the preferred location. Limited by the steep terrain, the camp location was narrowed down to two key sites. An issue that quickly emerged was the constraints for handling the proposed camp's waste treatment on site.

JUNE 6, 1986 - A working draft DCP/EIS for Decker Canyon was produced and sent to the park and regional office for comment.

OCTOBER 17, 1986 - A presentation was made on the Decker Canyon EIS at the region's quarterly review of Denver Service Center projects in Denver. The major issue was that the preferred site for a sewage treatment leach field under the Site selected was a significant archeaological site. There was a possibility of an alternative location for the leach field, but it needed soil drilling tests to verify quality and depth of soils.

I insisted that adequate site engineering be done to guarantee that waste treatment could be adequately handled on site at Decker Canyon, prior to releasing the alternatives evaluated in the DCP/EIS. A further complication was that the Denver Service Center sanitary engineers were fully scheduled on other projects throughout the National Park Service. To do the engineering work at Decker Canyon immediately meant dropping other funded and scheduled work projects many of which I did not control. I decided to wait until sanitary engineers were available to do the testing (late '87). The EIS process was put on hold in the interim. Total Access Camping felt this decision jeopardized their effort. They were running out of time, money and energy. If the Decker Canyon location was ruled out, it would take years to work another site through the necessary DCP/EIS review. Starting over would kill the project.

OCTOBER 26, 1986 - Burt Wallrich, Director of Total Access Camping wrote a letter to Director Mott expressing concern over the loss of momentum and asking for his intervention to speed up the process to keep the project alive.

OCTOBER 30, 1986 - Mayor Betty Wilson, a close friend of Burt Wallrich sent a letter to Ms. Gwendolyn S. King, Deputy Assistant to the President and Director of the Office of Intergovernmental Affairs at the White House. Mayor Wilson "stated the "hang-up" seems to be with the Regional Director in San Francisco". This letter was referred by Assistant Secretary Horn to Bill Mott on 12/19 with acknowledgement that Bill Mott had already put the issue on a fast track by changing the national priorities for the sanitary engineers.

OCTOBER 31, 1986 - A memo was drafted for the Director's signature by me laying out the timetable for doing the engineering work immediately and fast tracking the environmental review process under the quickest possible time frame for completion of all necessary actions by September, 1987.

NOVEMBER 17, 1986 - A memorandum was sent from Director Mott to Burt Wallrich advising him that the waste treatment analysis would be completed by February, 1987 and the EIS public review by June, 1987.

NOVEMBER, 1986 - The on-site drilling test were begun to evaluate soil capacity of the alternative leach field sites. The test found the soils were too shallow to handle the waste treatment effluent load. It looked like this finding might kill the project. Other kinds of waste treatment were either too expensive for NPS and Total Access Camping or environmentally unacceptable to NPS for Decker Canyon.

A solution emerged in early January by shifting the development to the second selected site, but proposing the sewage leach field in the area of the first site selected for development. Fortunately, the test drillings showed adequate capacity for a leach field on the newly selected site.

JANUARY 22, 1987 - It was agreed at the quarterly work session in Denver to go ahead with finalizing the DCP/EIS to focus on the revised development sites at Decker Canyon. Everyone was encouraged by me to meet or beat the fast track DCP/EIS schedule, as realistically modified to a 10/4/87 date for preparation of an EIS Record of Decision.

BOTTOM LINE

Continuous discussions were held between my staff and park staff with Burt Wallrich since October, 1986 to try to salvage this project, find a best effect means of resolving the waste treatment issue, and to fast track the EIS process. We acknowledged the value of what Burt Wallrich and Total Access Camping envision and the challenge of energizing and fundraising for a $2.5 million prototype project in the face of bureaucratic processes and the NEPA requirements. All parties recognize that the Decker Canyon property was a tough one to fit this project into and that we are operating on a very narrow margin for error. My decision on October 17 to not release the EIS alternatives until the waste treatment capability was verified by soil tests was borne out by the engineering finding that soils were inadequate. Depths of soil were 2-5 feet to rock, 9 feet to clay

in some spots and 14 feet to the water table. The drilling on the final site selected showed 10 foot depths of soil which will take the effluent load and meet the county's requirement for a 100% backup capability.

CLASS ACTION EEO SUIT

With regard to Mr. Horn's recollection of "the largest unresolved class action EEO suit in the history of the National Park Service," I have the following comments:

There is no pending "unresolved class action EEO suit." Most likely Mr. Horn is referring to the class action complaint filed on August 28, 1981, on behalf of Hispanics. This complaint, which was settled in 1985 and did not ever become a lawsuit, was filed when I did not select a Hispanic male for the position of Equal Opportunity Manager in the Western Region in August, 1981. Several qualified Hispanics were certified eligible for the position, along with applicants of other racial/ethnic groups, both women and men.

The class action could have been filed against virtually any part of the National Park Service, because of underrepresentation of Hispanics, since the Service workforce does not yet represent parity for Hispanics with the civilian labor force. I might add that this underrepresentation also is present in the government and the private sector generally. This is also true of other underrepresented groups. The person I selected for the position, a white woman, is also a member of an underrepresented group.

Considerable time elapsed between the initial complaint filing date of February, 1982 and its settlement in December 1985. I did not cause the delay. The individual authorized as the official to receive the report of counseling and to clear all resolution efforts and documents was Mr. P. Daniel Smith (memorandum so authorizing may be submitted for the record.) The complaint was not settled by the counselor, who was on staff at the National Capitol Region and assigned by the Service Equal Opportunity Office. (I shall discuss my efforts to settle informally in a moment.) On February 9, 1982, the complaint was filed in Washington, but was not forwarded from the Department of the Interior to the Equal Employment Opportunity Commission until November 16, 1982 (9 months). The EEOC recommended that the complaint be accepted on May 16, 1983 (7 months), but the Department did not act on the recommendation until November 28, 1983 (7 months).

It was always my intent that the complaint could and should be resolved through negotiation and I presented a proposed settlement agreement to the class agent through the EEO Counselor in January, 1982. (Copy of which may be submitted for the record.) This proposal included a commitment to enhanced recruitment of Hispanics, a re-assessment of the Hispanic Employment Program in my region, and a review by the Regional Personnel Management Review Board of all vacancies, with the objective of filling all possible positions at the entry level, to increase opportunities for underrepresented groups. The underlying, stated goal of my proposal was to reach parity in our region for underrepresented groups at all pay schedules and job categories, as we have long been trying to do through our Affirmative Action Plans.

Although this resolution was not accepted at the time, the thrust of the proposal was contained in the Settlement Agreement which was ultimately reached some 5 years later. I was interested in

settling not because I felt we were in a position to lose; I believe I made a completely correct choice in filling the position. I acted on my firm commitment to equal opportunity as the ethical course of action and I did want and I continue to want the National Park Service to represent our diverse population in its employees as well as we represent the diversity of our natural and cultufal resources.

I was also committed to settling because I know how divisive and costly a lawsuit can be, having observed the US Forest Service case, a class action on behalf of women, which took eleven years to reach a court ordered settlement and required an outlay of $1.5 million. Furthermore, in settling, the National Park Service clarified that there was no finding of discrimination.

The Western Region representation of Hispanics in 1986 was 7.5%, compared to the National Park Service representation of 4%. Selection rate for Hispanics in the Region for permanent positions was 12.7%. Representation of women in the Western Region in 1986 was 30.8%, compared to 32% Servicewide; selection rate for women in the Region was 47.8%.

I will be happy to provide the Committee with any data you may wish to see on the hiring and promotion of minorities and women during the last five years of my term as Regional Director. It will, I think, show that while we have the same problems as other Regions, we have nevertheless made progress and have seen encouraging results from our efforts.

In his statement that "the case is still pending" in his office, Mr. Horn may have been referring to the individual complaints also filed on this position, including those same gentlemen who were members of the class action. These complaints were investigated in September, 1982. They were held from further processing pending the resolution of the class complaint. The decision to hold them was made at the Departmental level. Mr. Smith was also designated the responsible official on these cases. Once the class complaint was settled, the National Park Service Washington Office moved to process the individual complaints. All nine of them received findings of No Discrimination. Some of the complainants have requested hearings before the EEOC; these hearings are scheduled to take place in May of this year. Delays in the hearings have been requested by the Department of the Interior's Solicitor's Office, to permit all complainants to exercise their right of appeal and to avoid having to hold several hearings.

I would like to address my performance in the area of Equal Opportunity and Affirmative Action a bit more if you will permit, for I feel that to be considered deficient in this area is highly unfair, particularly since there have been no Findings of Discrimination in these cases. I respect the right of any individual to file a complaint, and consider that no discredit to a manager to be mentioned in a complaint, unless a finding is made against him or her. To view the complaints process otherwise would be similar to judging a party guilty before proven so.

In my own appraisals of managers under my supervision, I do not look only at whether complaints have arisen, but whether the manager has approached the complaint as a serious matter, provided support and personal leadership to resolve the complaint, and assured that neither alleged discriminating officials nor complainants are subjected to any retaliation while the complaint is in process and thereafter.

The Western Region has a reputation in the National Park Service for firmness and integrity in implementing Equal Opportunity. We have developed precedent-setting initiatives. In fact, four Western Region program initiatives were selected in 1986 by the Director of Equal Opportunity for the Department of the Interior in her submittal to EEOC for the Commissions report to Congress on 1985 Program Initiatives in the Affirmative Employment of Minorities and Women in Government. These were the only initiatives submitted from the National Park Service. These were our Ranger Intake Program, Maintenance Intake Program, Professional Development Program, and Affirmative Action Advisory Group. It is disappointing to me that in 1986, the year in question for my performance appraisal, my Region was so clearly singled out and honored by the Department of Interior. These are our Ranger Intake Program, Maintenance Intake Program, Professional Development Program and Affirmative Action Advisory Group.

In March of 1983, while the class action was still being negotiated, I received an award from the Hispanic Recreation and Leisure Services Association, Inc.

In 1985, the Western Region received an award for equal opportunity from the San Francisco Bay Area Equal Employment Opportunity Officers' Council, which is the official organization of all federal EEO officials in the San Francisco Bay Area and whose members include some of the same individuals who were individual complainants or parties to the class action.

I will be happy to answer your questions or provide additional information on this matter.

The Haslett Warehouse Life Safety Issue

Mr. Horn has indicated that his "personal intervention as well as that of the Director was required to resolve the audit finding associated with health, public safety, and liability issues of the Haslett Warehouse. This was an instance in which the decision to close the facility had to be made in Washington. Several months after that decision was made the region had still not taken the final actions required. Further, actions from Washington had to be taken to ensure that the decision was implemented."

As early as 1974 when the State of California still owned the Haslett Warehouse, there was discussion of transferring this property and the maritime resources to the National Park Service. Because of this I asked the Denver Service Center to prepare a report covering the physical condition of the warehouse including any gross deficiencies related to fire and safety. The report did not cover earthquake protection. In 1975, an additional report from the Denver Service Center indicated that the installation of an automatic sprinkler system throughout the building would eliminate most of the building's serious fire deficiencies.

As discussions regarding transfer of the properties to GGNRA neared culmination, I asked the Field Solicitor for an opinion regarding our liability related to the health and safety deficiencies. (It should be noted that the tenant/lease programs were in full operation under the State before any transfer of ownership took place.) On June 21, 1977, a memorandum from the Field Solicitor concluded that notifications to the tenants informing them of certain unsafe and hazardous conditions present would not necessarily relieve the Federal government of all liability for damages resulting from known hazardous conditions. Recommendations from the Field Solicitor included measures to bring the building up to code as soon as possible or have tenants vacate the building.

On February 28, 1977, the Haslett Warehouse was transferred from the State of California to the National Park Service. On this same date, I issued a memorandum to the Superintendent of GGNRA directing him to vacate the building through the process of attrition, i.e., as tenants vacate their space, the space would not be replaced with new tenants. I also indicated that as tenant numbers decline every effort was to be made to consolidate them on one floor for economic and safety reasons. I indicated that all tenants should be furnished a letter indicating the intent of the National Park Service was not to continue the rental operations. Although this was verbally communicated to the tenants soon thereafter, the letter was not sent to them until May 1977.

On November 10, 1978, Public Law 95-625, authorized by Congressman Burton, was signed into law. This Bill among other things authorized the use of revenues derived from the Haslett Warehouse tenant lease program to offset costs of maintaining the GGNRA maritime resources. These funds would amount to $700,000 - $800,000 per year. Soon after this legislation was passed, a conscious decision was made in consultation with the Director and the Field Solicitor to minimize the safety risk and maximize our revenue potential of the tenant/lease program.

In 1983, we were in a position to install a fire alarm and automatic sprinkler system. But, because of severe winter storm activity in the Bay Area these funds had to be diverted to repair badly damaged sewer systems. Even so, minimal measures were taken, as existing funds permitted to mitigate the fire safety situation until adequate funding could be made available to complete resolution of the fire safety situation.

On January 25, 1985, a draft audit report was issued by the Office of the Inspector General identifying the safety deficiencies in the Haslett Warehouse and recommending that the Director, NPS, take action to implement the corrective measures previously identified by the Field Solicitor in 1977. In response to the OIG Report an action plan was developed which included recommendations made by a team of experts in safety and engineering brought together at my request. (These recommendations were reviewed and agreed to by the San Francisco Fire Department.) On March 8, 1985, this action plan which included 1) correction of the safety and structural deficiencies through use of the 1981 Historic Preservation Tax Investment Credit Act, and 2) implementation of short term recommendations to mitigate the life safety issues was submitted and concurred with by our Washington Office, in response to the OIG Haslett Warehouse recommendations. This information was included in the final OIG Report dated May 19, 1985; and although it was not fully supported neither was it rejected by the OIG. In fact, on August 5, 1985, a memo from the Director to myself indicated "the Region should immediately proceed to carry out the interim program outlined in the March 8 report."

Status reports were submitted to the Washington Office on a monthly basis regarding progress related to the Haslett Warehouse improvements. Several discussions ensued between the OIG and the National Park Service relative to action NPS was taking and proposed to take in order to mitigate the life safety problems of the Haslett Warehouse. On June 28, 1985, the Director submitted one last appeal to the OIG with the following closing statement:

> "While the National Park Service recognizes and understands the Office of Inspector General's position, it is our opinion, after reviewing our initial response that the management decision we have made (1) to correct the safety and structural deficiencies through use of the 1981 Historic Preservation Tax Investment Credit Act, and (2) to implement short-term recommendations to mitigate the life safety issues, is a correct and proper course."

This appeal was apparently rejected by the Secretary of the Interior and in a 11/8/85 memo to the Assistant Secretary for Fish Wildlife and Parks, the Director recommended that the Haslett Warehouse be closed by May 31, 1986 and that efforts proceed toward including it in the Historic Structures

Leasing Program. This was conveyed to me in a memorandum on December 9, 1985 from the Director.

At my direction an action plan was immediately developed and put into motion which included review by the Solicitor for legal sufficiency of our Notice to evict. On January 9, 1986, the tenants were given notice of our intent to vacate the building by 5/31/86. Although most of the tenants were out by June 1, 1986, I allowed a few to stay longer until they could find alternative space. (It should be noted that the Haslett tenants were businesses of varying degrees of complexity. In some cases it was impossible to move within the time period slotted. For example, some businesses had arranged for other space but the space was not ready for their occupancy by the cut off period (5/31/86) and rather than impose undue economic hardship on them by making them rent temporary space until they could move into the space arranged for, I allowed them to stay at the Haslett a few weeks past the cut off date. This effort on my part also probably prevented some of these cases from escalating to the Secretary's Office.) By July 16, 1986, the last tenant had vacated the building. Although we have slipped the target date for the issuance of an RFP for the historic leasing of the building, this is primarily the result of public input, questioning continued private use of the building.

It seems apparent to me based on the information I have provided that:

1. The decision to close the building was made only after an appeal had been made to keep it open by the Director.

2. That it was not several months after the decision to close the building before I took action, ie., notified on 12/9/85 and action plan developed and initiated on 1/9/86.

3. I am unaware of further actions Washington had to take to ensure that the decision was implemented.

YOSEMITE LAND PROTECTION PLAN

Controversy has surrounded the private lands in Yosemite NP and particularly in that portion known as Wawona or Section 35 for over several decades. This changing state of affairs has been in the form of fluctuating departmental and NPS attitudes towards acquisition of private lands.

In the early 1970's the late Congressman Phillip Burton introduced legislation designed to acquire all private inholding within the parks in three years. Though this legislation did not pass, the NPS did take note of what seemed to be a concern of Congress. That was a failure of the NPS to monitor and control improvements on private lands within exclusive federal jurisdiction that were to be eventually acquired by the government. This failure by the NPS was causing property values to increase the future purchase price. The NPS reacted by beginning a monitoring and a building permit procedure in the Wawona area to control private property improvements. This sparked controversy among the property owners in the Wawona area that eventually led to the NPS developing land acquisition plans for all parks in the system. A spinoff of this was the Park Inholders Association originated by Mr. Charles Cushman of Wawona.

By the late 1970's as the controversy enlarged, NPS Director William Whalen determined that the NPS should relax its land acquisition policy in the Wawona area of Yosemite. He determined that if building zoning regulations could be put into effect that NPS could co-exist with private inholding in the Wawona area.

Putting these building zoning regulations into place caused an old disagreement between the federal government and Mariposa County to erupt

again. This was the contention by the federal government and concurred in by the California Attorney General that the U.S. held exclusive jurisdiction over the private lands in Yosemite and Wawona. Mariposa County would concede no such jurisdiction.

In 1980, when the present administration came into office, a stronger emphasis was placed on reduced land acquisition and the Wawona situation drew the attention of the Asst. Secretary on several fronts. First, the land acquisition plans were to no longer be known as such but now to be called land protection plans with emphasis on other strategies of protecting land than fee acquisition. This brought new vigor to the building zone regulations that were now to become land use regulations. This focused on a second issue and that was jurisdiction. At this point the Assistant Secretary's office led by Messrs. Ric Davidge and Bill Hartwig pressed the NPS to cede exclusive jurisdiction over Wawona and settle for concurrent jurisdiction and thereby allow the county to manage the land use regulations. Director Dickenson opposed this release of responsibility and authority over lands in Wawona in that NPS plans still called for eventual acquisition to complete public ownership. His opposition was overruled and Director Dickenson subsequently signed a request to the State of California to retrocede jurisdiction.

All this time a land protection plan for Yosemite was in final form but was delayed as directions changed. The controversy with Mariposa County over the land use regulations and the timing of the retrocession of jurisdiction followed the turning over of the NPS Directorship from Russell Dickenson to William Penn Mott. Director Mott sought to have the retrocession of jurisdiction held up by the state land commission until Mariposa County signed an agreement with the NPS over the land use controls. The state did not wait for the agreement, so the jurisdiction was ceded without an agreement on land use regulations with Mariposa County.

All of these things were acting to delay approval of the land protection plan. In early 1986 a frequently revised plan was sent to Washington from Yosemite through the region. This was reviewed by the Assistant Secretary's office on May 27, 1986. On this date in 1986 Acting Assistant Secretary P. Daniel Smith wrote to the Director that this draft was unacceptable until references to any future acquisition of land at Wawona was deleted. Further in this memorandum Mr. Smith went on to say that this and the delays in the submission of the land protection plan were "another example of the poor management style of Regional Director Chapman."

Mr. Horn's reference to "the long-standing directive issued by Director Dickenson and continued under Director Mott related to completion of the land protection plan for Yosemite NP and implementation of the Directors policy remains undone." is true. But the causes stem from the actions of the Asst Secretary's office to change long standing NPS land acquisition policy, force jurisdictional changes and press the NPS to give up a negotiations stance with Mariposa County and finally to tell the NPS to say in its land protection plan that it would not acquire land in the future in Wawona. This final directive has been reviewed by the staff of the House Subcommittee on National Parks and Public Lands and I have been told it is not my prerogative or that of the Administration to say that we will never again acquire land within the Wawona portion of Yosemite. I believe that it is fair to say that the Assistant Secretary's personal intervention into this issue stems from the administration's alteration of the basic long standing land acquisition policies of the NPS and pressures to force a final decision clearly belonging only to the Congress of the United States.

Grand Canyon Aircraft Issue

Mr. Horn has stated "another issue of significant magnitude surround the OIG review of the basis for the National Park Service's recommendations associated with the safety and

potential noise issues at the Grand Canyon NP. After the Secretary had heard from a number of interested parties, he felt compelled to request the review. This matter has now been referred to FAA with a recommendation to conduct a credible study, to develop appropriate recommendations relative to both issues based upon sound and objective data."

Following is an overview of what took place since the 1975 Grand Canyon Enlargement Act was signed into law.

Summary

The impact of aircraft noise on the natural quiet of the Grand Canyon and visitor enjoyment has been recognized for years. The studies which have been conducted since 1971 confirm the existence of this problem but do not define the seriousness of the problem or identify solutions. What these studies and other information tell us is that: (1) aircraft can be heard much of the time over most of the park, (2) the natural ambient noise level in much of the park is very low so that aircraft can be heard more readily than in environments with higher ambient levels, (3) aircraft measurably increase the sound levels in most of the park, and (4) visitors are concerned about the issue, with a majority of non-Corridor backcountry visitors expressing negative reactions concerning aircraft.

Under the Grand Canyon Enlargement Act, the Secretary of the Interior and the Administrator of the FAA are mandated to protect the park against the adverse impact of aircraft. The Park Aircraft Management Plan and Environmental Assessment were prepared specifically to advise the Secretary on the measures which should be taken to protect the park.. This planning effort was conducted by professional NPS employees in a professional manner with the full participation of the aircraft operators, governmental agencies and environmental community.

On August 28, 1986, following completion of the plan and assessment, the Director was prepared to advise the Secretary on the need to curtail flights over the canyon in the interest of safety and noise abatement. On this same date, the Director received orders from the Secretary to hold in abeyance any further action on the issue pending an Inspector General's (IG) review of the situation. The IG review supported our conclusions and recommendations on aircraft safety but did not support our findings on noise impacts. Acting on the IG report, the Secretary wrote to the Director on November 5, suggesting a letter be sent from Assistant Secretary Horn to the FAA expressing the Department's concern for air safety in the canyon The Secretary's memorandum also criticized the NPS for its handling of the aircraft noise issue. We reviewed the IG report and found it to be confusing, inconsistent and inaccurate. A point by point rebuttal was transmitted to the IG on December 17, 1986.

The Assistant Secretary wrote to the FAA Administrator on November 14, 1986, requesting FAA to improve aircraft safety in the park through appropriate regulations that included requesting a prohibition of aircraft flights within the Inner Gorge of the Canyon and called for a two-year, joint NPS/FAA study of noise impacts in the Canyon. FAA rule making on the aircraft safety issue was in process with final regulations to be completed in June. The tentative regulations, which generally prohibit aircraft flights below the Canyon rim, would allow air tour operators to fly below the rim. Also, the adverse impacts of aircraft noise will continue in the park for at least another two years as additional information is collected. I believe ample

data on air safety and noise is already available to warrant significant aircraft restrictions in the Canyon area as discussed in our Aircraft Management Plan and Environmental Assessment.

Legislation has been introduced into the Congress which requires immediate restrictions on aircraft flights over certain NPS units, including Grand Canyon National Park. The legislation also requires aircraft safety and noise studies in several other park units. I have already allocated $65,000 this year from Regional funds to begin an aircraft noise study in selected parks in the Region. A technical meeting, to be held March 4-5 with participants from FAA and other agencies, will develop a task directive for this study.

Having digested what took place since 1975, I would make the following observations:

- The Secretary was premature in considering a reprimand aimed at Grand Canyon staff after the OIG investigation and report; in that he had not received our response to the OIG findings, many of which we felt were inaccurate and unsubstantiated.

- It would have been helpful in our deliberations if we had had benefit of the Secretary's feelings regarding the aircraft issue before recommendations were made to him. On several occasions, the Director made his position known publicly and directly to me. However, as it ended, this was completely contrary to that of the Secretary.

Congressional concern about aircraft over Grand Canyon

Section 8 of Public Law 93-620, the 1975 GCNP Enlargement Act, states:

Whenever the Secretary has reason to believe that any aircraft or helicopter activity or operation may be occurring or about to occur within the Grand Canyon National Park, as enlarged by this Act, including the air space below the rims of the canyon, which is likely to cause an injury to the health, welfare, or safety of visitors to the park or to cause a significant adverse effect on the natural quiet and experience of the park, the Secretary shall submit to the Federal Aviation Agency, the Environmental Protection Agency pursuant to the Noise Control Act of 1972, or any other responsible agency or agencies such complaints, information, or recommendations for rules and regulations or other actions as he believes appropriate to protect the public health, welfare, and safety or the natural environment within the park. After reviewing the submission of the Secretary, the responsible agency shall consider the matter, and after consultation with the Secretary, shall take appropriate action to protect the park and visitors.

NPS studies of aircraft noise impacts

In an attempt to provide indications of the nature of the aircraft issue in the park and to provide baseline information concerning the natural quiet and experience of the park, a number of studies have been conducted. The studies have been conducted over a 15-year period and have measured three aspects of aircraft activity. The first is the percent of time aircraft is heard in various locations within the park. The second is measuring the noise level during aircraft overflights using the A-weighted decibel scale. The third is visitor perceptions concerning overflights.

1. In 1971, Dr. Charles H. Black of Northern Arizona University conducted a survey of noise levels at 12 sites along the South Rim, Clear Creek, North and South Kaibab Trails, and Phantom Ranch during Labor Day weekend. This study measured decibel levels and found that "During one day of the survey, aircraft noise was essentially continuous at all sites."

2. In 1975, Dr. Eldon G. Bowman of Northern Arizona University conducted 18 days of aircraft noise evaluation on the Bright Angel and South Kaibab Trails. A typical one day evaluation (8 a.m. to 5 p.m.) indicated an average of 72 observed aircraft whose combined noise was heard during 43 percent of the time. Bowman also measured increases in decibel levels at several locations from under 45 dBA to as much as 80 dBA due to aircraft.

3. In 1977, a sociological survey of backcountry hikers was conducted by William Towler. The survey indicated that 71 percent of the 251 backcountry users interviewed felt that aircraft flying overhead detracted from their enjoyment of the park.

4. From 1978 to 1980, GCNP personnel monitored aircraft noise utilizing procedures similar to those of Dr. Bowman, but at a variety of locations in the canyon and on the rim. Data indicated that, over a total of 433 sampled hours, aircraft could be heard an average of 47 percent of the time.

5. In 1983, P.S. Dara collected 500 hours of decibel sound level data from a variety of locations on the South Rim and in the canyon. Ambient sound level measurements were below 30 dBA in several locations, whereas some areas near waterfalls or rapids had ambient sound level measurements exceeding 70 dBA. Noise levels measured when aircraft flew over averaged 47 to 74 dBA at various altitudes, and were louder than the ambient noise level by up to 65 dBA. It is important to note that even at waterfalls and rapids, where the ambient noise level was louder in decibels than the aircraft flying overhead, aircraft could still be heard due to differences in sound quality (primarily pitch) of the sound sources.

6. In 1983-84, a survey of visitor perceptions of aircraft in the park's backcountry was completed by GCNP. A total of 1700 backcountry visitors were surveyed, of whom 32 percent said they were dissatisfied, and 27 percent said they were slightly dissatisfied with the number of aircraft heard on their trip. Despite their dissatisfaction with aircraft heard, almost 74 percent were very satisfied with their trip overall.

7. Two surveys of rim visitors were conducted by Underhill et. al. and Haas and Ross in 1983 which included questions concerning aircraft and many other aspects of visitor experience. Approximately 20 percent of the respondents to these surveys expressed dissatisfaction with aircraft heard or expressed a desire to stop aircraft flights over the canyon.

8. In 1986, a survey was completed among a 30-percent sample of all persons who obtained backcountry use permits from June 1, 1984, to May 31, 1985 (2412 responses were received with a response rate of over 80 percent). This survey of over 100 questions regarding backcountry use included two questions concerning aircraft. Thirty-two percent of the Cross-Canyon Corridor hikers (two-thirds of all hikers) responded that aircraft detracted from their trip, or agreed that too many aircraft fly over the backcountry, and approximately 20 percent were neutral. Sixty to 75 percent of the non-corridor hikers

(one-third of all hikers) responded that aircraft detracted from their trip and/or agreed that too many aircraft fly over the backcountry. Approximately 15 percent were neutral.

Development of the Grand Canyon Aircraft Management Plan

May 1981: NPS called meeting of air tour companies and some environmental representatives to discuss aircraft issue and draft task directive. NPS agreed to further study of issue to determine magnitude of concern.

1981 - 1984: NPS data collection on aircraft use over Grand Canyon National Park (GRCA), including: noise studies, visitor surveys, preliminary peregrine falcon survey, and initiation of cultural resource studies.

1984 - 1985: Grand Canyon national Park conducted a series of meetings with work groups composed of representatives of air tour companies, environmental organizations, and other agencies and associations concerned with aircraft. As a result of these meetings, a public information packet was prepared presenting information received at the work group meetings and other information collected by NPS. This packet was available for public review from September to December 1985. Formal public meetings were conducted during this time in San Francisco, Las Vegas, Phoenix, Williams, and Flagstaff with an estimated 645 people attending and 216 individuals making verbal presentations. In addition, approximately 760 written statements were received along with 4,300 signatures on petitions and 3,600 signatures on form letters. A summary of this public input was prepared and distributed.

April 1986: NPS met with original work groups to discuss six draft alternatives. Similar briefing for Director, NPS, by myself and park staff.

May-Aug 1986: Environmental assessment released for public review. Formal public meetings based on this were conducted in San Francisco, Las Vegas, Phoenix, and Flagstaff with an estimated 550 people attending and 143 individuals making verbal presentations. In addition, approximately 775 written statements were received along with 5,800 signatures on petitions and 3,300 signatures on form letters. A summary of this public input was prepared and distributed.

General Finding of the Environmental Assessment

In accordance with the Grand Canyon Enlargement Act (PL 93-620) and the NPS planning process, we determined that aircraft activity occurring over or within the park is currently causing a significant adverse effect on the natural quiet and experience of the park, and that aircraft activity may be likely to cause an injury to the health, welfare, or safety of visitors to the park (GCNP memorandum dated March 10, 1986). The Environmental Assessment was written as a step in developing recommendations to the Secretary of the Interior as required by the GCNP Enlargement Act, and outlines the potential park-specific approaches which

have been developed based on public input, general and specific laws/policies, and scientific studies.

The Events of August 28, 1986

On August 28, 1986, I briefed the Director on the findings of the Grand Canyon Aircraft Management Plan and Environmental Assessment. I have been informed that Jim Kahan, Vice President and Elling Halvorson, Owner, Grand Canyon Helicopter Company, met with the Secretary of the Interior that same day. During my meeting with the Director, he received a memorandum from the Secretary stating:

> "As of this date, August 28, 1986, please do not release this Park Service study and any related material, and do not reach a final decision for the time being, pending review of initial issues by the Office of Inspector General."

The Inspector General's Report

October 10, 1986: Inspector General issues report to NPS which is critical of the environmental assessment and conclusions particularly related to the aircraft noise issue.

November 5, 1986: Memorandum from Secretary to Director citing the Inspector General's report, calls for communication with FAA on Grand Canyon air safety; criticizes NPS for handling of aircraft noise issue suggesting that "... the persons responsible for drafting the original report on solitude should be appropriately censured."

December 23, 1986: NPS Deputy Director provides IG point by point rebuttal of IG report. The IG has not responded to our rebuttal.

The IG questioned the reliability of the studies cited by the NPS. For example, on page 9, paragraph 2, of the IG report, it states:

> "The project conducted by Dr. Bowman ... does not appear to be an objective and unbiased study employing a methodology subject to statistical verification. It is at best imprecise and subjective. Its inclusion in the GCNP data base is questionable."

Bowman is very clear that the numbers of aircraft and the amount of time they were heard are his written observations of aircraft sights and sounds in the particular locations where he happened to be when aircraft flew over him. All science is the result of the observations of the scientist. Scientists develop a theory, test it recording observations and methods, revise the theory and methods as necessary, repeat the observations to the desired confidence level, then discuss the limits of the methods and observations in drawing conclusions. Bowman's methods are recorded and repeatable, so that anyone could conduct the same study using the same methods at any time. The new observations could then be compared with Bowman's. This is in fact the scientific method. "Statistical verification" would only be applicable when comparing results of different observers and/or different observation periods, or in attempting to make predictions from the observations. No such comparisons or predictions were made, since Bowman's study was the first of its kind at GCNP and was conducted over a short time period.

Notwithstanding the IG criticisms its conclusions regarding aircraft noise suggest that aircraft restrictions may be justified.

> IG report (page 2, paragraph 3): "Despite the factual errors and misstatements in the two decision document, the data does reveal that aircraft generated noise is detectable in the park, and various surveys of a significant segment of hikers along the more remote trails perceive this noise as an intrusion that detracts from their experience in the park. These results may warrant consideration of limited flight free zones for related areas of the park."
>
> IG report (page 17, paragraph 2): "The finding of a significant adverse effect upon the 'natural quiet and experience' is not adequately supported by the data presented. To a greater degree, that data does raise concern for the perceived noise intrusion on remote trail hikers and may justify consideration of limited flight free zones within the park."

The Specific Comments section of this document addresses the "factual errors and misstatements" which the IG alleges occur in the EA and Memorandum. However, in the above quotes, the IG says that even with his criticisms intact, there is a noise concern regarding aircraft overflights of the park and that consideration of flight free areas may be warranted. Therefore, one would still have to conclude from the IG report that mitigation of the aircraft noise concerns at GCNP should be addressed as well as mitigation of aviation safety concerns.

Response of the Department of the Interior and Federal Aviation Administration to the Requirements of the Grand Canyon Expansion Act, PL 93-620)

November 14, 1986: Letter from Assistant Secretary Horn to FAA Administrator recommends (1) installation of radar at the Grand Canyon National Park Airport to assure separation and safety, (2) no flights be allowed within the inner gorge throughout the park by air tour operators, commercial flights, or private pilots, (3) flight paths not cross major visitor overlooks or peregrine falcon nests, and (4) a two-year joint NPS/FAA study of aircraft noise impacts be initiated.

The attached editorial by the San Francisco Chronicle is typical of general media reaction to the Horn announcement. In part, the editorial states:

"The Interior Department over-ruled park officials in favor of the aviation interests. The Interior Department has proposed no substantial changes in the current operations of the sightseeing aircraft."

December 29, 1986 Response to Assistant Secretary Horn signed by Donald B. Engan, Administrator, FAA:

"* * * * *

Other requested actions including installation of radar at the Grand Canyon National Park Airport and the initiation of the study of aircraft impact would require a substantial commitment of resources by the agency and will therefore

require evaluation on a cost/benefit basis before we can respond. Also, your request that FAA assist in the identification of suspected noise impact by participating in a joint study would appear to be beyond requirements of the Grand Canyon National Park Enlargement Act. However, the Agency will give serious consideration to all such recommendations consistent with FAA authority and resources. * * * * *"

December 4, 1986 — FAA Proposed Rule making for Grand Canyon Airspace. The FAA proposed temporary procedures for the operations of all aircraft in the airspace above the Grand Canyon, up to an altitude of 9000 feet above mean sea level. The notice also proposed a follow-on final rule to take effect upon expiration of the Special Federal Air Regulation in June 1987.

Key provisions of the proposed rule are to:

1. Establish a Special Flight Rules Area from the surface to 9,000 feet MSL (this would allow for sightseeing flights below the rim).

2. Prohibit flights in this area unless specifically authorized by the local FAA Flight Standards District Office (this would preclude private and military aircraft from operating below 9,000' MSL.)

The FAA has initiated public comment and is holding public hearings on the proposed Grand Canyon flight rules.

Aircraft Noise Impact Study for Western Region Parks

January 5, 1987 — Immediately following the Christmas holidays, I reemphasized to the Regional staff the need to continue the effort to refine overflight data in several national parks, including Grand Canyon. To reinforce on-going data gathering efforts, I set aside $65,000 in the Regional budget in support of data gathering and analysis, and continued to closely monitor aircraft issues, in particular, at Petrified Forest and Grand Canyon National Parks.

February 25, 1987 — In a telephone conference call with the Superintendents of Petrified Forest, Grand Canyon, Sequoia-Kings Canyon, Yosemite, Haleakala, and Hawaii Volcanoes National Parks, I reviewed a variety of aircraft overflight issues, and reiterated the need for close adherence to my policy (6/2/86) on park-sponsored use of aircraft. The conference call was in preparation for a technical session on aircraft monitoring and visitor attitudes as related to overflights in national park airspaces.

March 4-5, 1987 — Technical session dealing with noise issues, including aircraft, is scheduled at the

Western Regional Office. The session will include representatives of the FAA, University of California, University of Denver and U.S. Forest Service, in addition to NPS field and Regional staff representatives.

Finally, I believe this demonstrates the recognition of aircraft as a major issue at Grand Canyon and that a series of studies, actions and public involvement activities have taken place. The matter has been treated with concern and deliberation. Mr. Horn's concerns appear to be founded on a less than complete understanding as well as a lack of knowledge of what has been occurring that could have been corrected by allowance of full briefing and involvement in the issue.

Yosemite National Park Drug Investigation

Assistant Secretary Horn has stated that "he remains concerned about the illegal drug activities and wire tap problems identified by the Inspector General during the rating period, which Mr. Chapman appeared to know nothing about. This issue had to be handled in Washington by the Director."

As background to the eventual 1981 Federal Grand Jury Investigation into drug problems at Yosemite National Park, it should be noted that as early as 1972 I was aware of and encouraged the establishment of a special group of Park Rangers in Yosemite to investigate criminal offenses with one officer designated to doing drug enforcement. In 1973, the General Accounting Office surveyed Yosemite regarding crime and drug enforcement. This was followed in 1974 by testimony given by Yosemite Law Enforcement Specialist Lee Shackelton, before a Congressional Subcommittee (Leo J. Ryan, Chairman) on Yosemite's role in law enforcement as it related to drugs and other crimes in one of the outdoor recreational areas administered by the Federal Government.

In 1977, GAO included five (5) NPS areas of the Western Region in its report of "Crime in Federal Recreation Areas - A Serious Problem Needing Congressional and Agency Action," and singled NPS out for special praise as strong, affective enforcers among land managing agencies. These areas were Yosemite, Lassen, Golden Gate, Santa Monica Mountains, and the Western Regional Office itself. This was directly related to my support of a professional Law Enforcement Office program and cadre of investigative rangers in Yosemite.

In 1979, I approved a drug enforcement ranger position at Yosemite after some discussion and delays by the Washington Office as to how it should be classified. In 1980, intelligence was then developed that drug trafficking was growing in Yosemite and a Tahoe group was active. I provided special funds for an undercover investigation that netted 10 drug dealers in December 1980. In May 1981, Yosemite had developed intelligence of a major drug trafficking network with members providing cocaine to Yosemite's young employees. Informants provided detailed diagrams of the distributors. Two concessioner security officers contacted the Yosemite Law Enforcement Office to show drug trafficking within their employing company and asked for government investigation. In August 1981, the Federal Grand Jury convened to open a special investigation of these and other allegations and the U.S. Attorney's Office assigned the NPS to carry out the case. (It should be noted that once the Grand Jury became involved, information relating to the case was under the secrecy control of the Grand Jury, Rule 6(a), U.S. Criminal Procedures, Title 18 U.S. Code.)

From December 1981 to September 1985 when the case was culminated, I had received regular quarterly reports submitted through the Regional Law Enforcement Office from Yosemite on the status of the case, especially as

it related to the special law and order funding authorized by our Washington Office. In 1982, Director Dickenson and I received a full briefing on site, in the YOSE Law Enforcement Office on the case and its status. In September 1983 and again in March 1984, I received personal briefings on this case and its status from the Yosemite Law Enforcement Office. I obtained detailed diagrams of the drug distribution network. Needless to say, I felt I had adequate knowledge of the drug situation at Yosemite during the investigation period, keeping in mind the Grand Jury secrecy provision.

In September 1984, Park Ranger Berkowitz, YOSE, met with Harry Dehashmutt, Departmental Law Enforcement Specialist. Berkowitz indicated that illegal activities were being conducted by the Yosemite Law Enforcement Office in connection with its investigation of the Grand Jury Drug Case. This information was conveyed to Associate Director Albright, Park Operations, WASO, who then requested Captain John Crockett, U.S. Park Police, to make an investigation. Captain Crockett's investigation revealed the possibility of illegal activities and the OIG was then called in for a full investigation. After the OIG completed its investigation (Report #4VI090) in July 1985, (but before a response could be made by NPS,) an oversight hearing was conducted on 10/15/85 at Yosemite by the House Subcommittee for Parks and Recreation. As a result of testimony by Berkowitz at this hearing, all files were ordered sealed on the drug investigation, including the OIG Report, until the General Accounting Office could make an investigation. The GAO report was issued in December 1985. Neither the OIG nor GAO found any illegal activity by the Yosemite Law Enforcement Office as it related to the Drug Investigation. There did, however, appear to be some lack of controls over some of the administrative aspects of the investigation. (Note - Between 1981 and 1984, an overview of the case management controls employed by NPS at Yosemite was assigned to Management Consultant Gene S. Muehleisen, past Executive Director of the California Post. On February 1, 1986, Muehleisen's report gave high marks for management techniques and professionalism.)

When the OIG Report freeze was finally lifted and submitted to me for response in December 1985, reprimand and punitive actions were proposed against the Park and Regional employees involved. Then after several grievances were received by me relative to these proposed disciplinary actions, I did a more in-depth review of the OIG Report and found several aspects to be flawed. For example, in the OIG Report it stated that "the Special Imprest Fund was misused." After reviewing the file materials on the Special Imprest Fund it was found that the Fund had not been misused. Required documentation had been completed, was in the file, and was in compliance with prescribed guidelines. An apparent oversight. The OIG Report further stated that "prescribed audits had not been completed." Again, after thoroughly reviewing file documentation it was evident that the OIG Report was in error. Copies of completed audits were documented and in the files. The OIG investigator had reviewed the file at the time of the investigation; but when the report was completed indicated the audits had not been completed. This was an obvious oversight by the OIG investigator. These inaccuracies and omissions in the OIG Report left the entire report lacking in credibility in my estimation. As a result, I felt the disciplinary actions were unwarranted and rescinded those for which I had responsibility and authority. These rescissions culminated in a 7/25/86 briefing which I attended in Washington, DC before NPS Director Mott, by Law Enforcement Specialist Lee Shackelton. As a result of this briefing and an exhaustive internal review by Deputy Director Galvin, Shackelton received a full reprieve and a memo of commendation from the Director for his efforts in heading up the Yosemite Drug Investigation and Mr. Binnewies was given a full reprieve.

As a note of interest involving the Grand Jury Probe of crime at Yosemite the allegations of illegal activity covered six (6) areas, i.e., illegal drug trafficking, obstruction of justice and misprision of felonies, pandering and prostitution, extortion and threats, embezzlement and theft, and conspiracy. In March 1982, the OIG agreed to investigate the

embezzlement and theft portion. To date, except for one minor incident, I know of no report or any action having been taken by the OIG on this aspect of the Grand Jury probe.

In summary, after all was said and done this investigation resulted in 87 drug trafficking indictments. In addition, information gathered from this case led to the seizure of nearly $83,000,000 of illegal drugs and over $5,000,000 in asset forfeitures by State and Federal authorities. Resultingly, Yosemite received letters of high praise and commendation from both the U.S. Attorney and State Attorney General Offices.

The void left by the multiple arrests in this case will be and are already in the process of being filled with new drug dealers. The easy money and the addictive nature of the cocaine are too much to resist for some of society. Since this case, new forms of cocaine are arriving in the area (known as "crack" or "rock"), which have lethal as well as addictive effects.

Contrary to recent OIG reports, NPS enforcement officers are well qualified to investigate the level of drug trafficking taking place in the parks.

Additional base funding is needed to set up an on-going enforcement program still aimed at the dealers to prevent the buildup of another distribution network as we have just experienced at YOSE. Even though in FY 1985, $150,000 was discussed as needed for drug enforcement work in Yosemite, no additional funds were made available for this purpose. In FY 1987, we had requested from WASO a total of $833,519 ($150,000 for YOSE) from funds under the Anti Drug Abuse Act of 1986; only $125,000 was made available to the entire Western Region.

The Yosemite "Wiretap" Problems

In his testimony before the Senate Subcommittee, Assistant Secretary Horn commented that, "I remain concerned about the illegal --- wiretap problems, identified by the Inspector General during the rating period, which Mr. Chapman appeared to know nothing about."

As Regional Director, I was fully aware of the fact a Park Ranger at Yosemite alleged illegal conduct by the Superintendent regarding a tape recording incident which occurred in the Superintendent's office in March 1983. In fact, the Superintendent had advised me of his actions soon after it occurred and although it was not a wiretap and probably from a technical legal standpoint was not illegal, I indicated to him that it was poor judgement on his part and that such actions would not be condoned in the Western Region. To my knowledge he had never before, nor has he since 1983 made any similar recordings.

During the course of an Inspector General inquiry at Yosemite in 1985, this incident was brought to the attention of Inspector Steve Lundsford. In August 1985, Mr. Lundsford contacted the Superintendent regarding the incident. Having received detailed verbal information from the Superintendent, Mr. Lundsford reviewed the matter and chose not to include mention of it in his final written report.

In January 1986, the same Park Ranger wrote to Congressman Tony Coelho and again alleged that the Superintendent had illegally recorded a conversation in his office. Based on the letter, a second Inspector General inquiry was made regarding the recording incident. On February 19, 1986, the Inspector General reported as follows:

> "In his letter to Congressman Coelho, Berkowitz stated that it was his opinion that the recording of the meeting was made in violation of the Title 18 USC 2511 which is entitled Interception and Disclosure of Wire or Oral Communications Prohibited. However, Section 2(d) of 18 USC 2511 clearly exempts the interception of oral communications where one

of the parties to the communication has given prior consent, even though he is not acting under color of law."

At this point it is necessary to refer to the section of my response to Mr. Horn's answers on the Yosemite National Park Drug Investigation. Under that heading there is discussion of reprimand and punitive actions being proposed for park and regional employees in December 1985. One of these was against the Yosemite Park Superintendent.

The January 1986 letter from Park Ranger Berkowitz (referred to above) came to the attention of Director Mott prior to the end of that month. Even though disciplinary action against the Yosemite Superintendent was pending on the drug investigation and management of related funds, the Director chose to immediately remove Superintendent Binnewies from his park assignment and had him detailed to the Regional Office. It was not until July 30, 1986, after going through the proper procedures of reviewing grievances and completing final disciplinary actions that I issued a directed reassignment to the Superintendent, now based primarily on the tape recording incident.

Yosemite Tenants Association Suit

Mr. Horn has stated "the housing situation in Yosemite has required my personal attention. This remains the only such problem of its type in the National Park System."

Yes indeed this matter did require the attention of Assistant Secretary Horn and also Assistant Secretary Riso. The reasons, however, were not under my control but rather under the coordination of the Secretary's Office. Although they are brought out in detail in the following chronology, in essence it was centered around delays in the revision of OMB Circular A-45, delays by the Department in publishing regulations, insensitivity intially of Departmental personnel in explaining the program to park employees, and finally the refusal up until the very last minute, to allow the Departmental Quarters officer attendance and participation in a series of meetings with employees at Yosemite on the status of the Yosemite Tenants Association Lawsuit.

With regard to the housing situation at Yosemite, I think it is important to go back a few years to look at several factors influencing employee attitudes about rent. For one thing, no new housing construction, neither replacement nor additional, has been authorized at Yosemite or anywhere else in Western Region for over 12 years. Yet, we had a master plan, with hopes for our employees who were living in energy-inefficient and poorly maintained quarters. During these years there were rent revolts and "Proposition 13" reactions on the outside. While there have been problems at Yosemite regarding housing, it must be noted that the rental rates did in fact increase substantially in May 1983. And we must realize that only very limited increases had occurred in quarters rental rates between 1978 and May of 1983, a time when the CPI for rental housing rose more than 35% across the country, and even more so in much of California.

Within the Department, there were some significant events that artificially held down rents. In December 1978, Secretary Cecil Andrus imposed a maximum rent increase of 7% per year, in line with then prevailing wage and price guidelines. For two years (February 1979 and February 1980), the true CPI increases were slightly higher (7.1% and 7.6%), and in December 1980, Secretary Andrus completely froze the rates, barring any CPI adjustment in February 1981, so we fell an additional 7.8% behind.

Meanwhile, in April 1980, the Departmental Office of Acquisition and Property Management delegated responsibility for quarters

management to the Park Service, but at the same time was centralizing the rate setting process. Prior to 1979, the Service had one single group, the Quarters Appraisal Team, that went around to all the parks to review and update the rents about every four years. But with Departmental rate setting changes in the mill, and with some NPS retirements, the team ceased to function. It was formally abolished by the Associate Director for Administration in February 1980 and its functions transferred back to the Washington Office (WASO). Throughout much of 1980 there was no quarters management anywhere. The regions had not had it, the team wasn't able to do it, and the Department was trying to develop the regional survey process. In the west, surveys of Economically Homogeneous Areas were to be done rather than direct appraisals.

The first few surveys had some bugs and some delays. The California survey, was only the second or third one for the whole country. We were just coming out of an extremely inflationary era, especially in California, rent increases had been held down for two years and then were non-existent for a couple more and then the California survey is announced. We had a new system, a lack of information, high increases, and some key vacancies in positions where experienced people might have caught it sooner - both the Regional Chief of Contracting and Property Management and the Yosemite Administrative Officer were vacant.

On March 3, 1982, WASO advised the regions that they must now review and certify all existing housing and required occupancy and then have annual recertifications. In the past such requests had been approved on a case by case basis and remained in effect until rescinded. WASO also advised that the Department had decided to continue work on the California Survey, thus there would be no CPI in California in May 1982.

In April 1982, the Service issued its first release of NPS-36, the Government-Furnished Quarters Management Guideline. Prior to that time, the Region's only servicewide directions came from the quarter appraisal team on rental issues.

On September 20, 1982, there was a brief training session for U.S. Forest Service and some Park Service employees on the Survey process. The survey report itself was issued by the Department on October 26, and transmitted to the region on November 26. We were to implement the survey rates in March 1983, and to follow with a CPI adjustment in May to update the rates to reflect the period November 1981 to August 1982, but the CPI rate wasn't even known then. (It was to follow in a couple of weeks). Eventually this added 5.5% to the survey published rates.

During January 1983, some folks at Yosemite worked very hard to calculate rates and prepare notices to the tenants. These were issued on February 4th. A member of my staff went to Yosemite the following week to hear concerns of employees at an all-employees meeting that Superintendent Binnewies held.

During the next few days my office worked closely with the park and Washington housing offices to get clarification and answers. On March 23, another all-employees meeting was held at Yosemite. This time there were representatives from the Department, WASO and again from my staff. We also invited representatives of other parks to attend so as to learn about the issues. This action helped us in the next survey.

As it has turned out, the Yosemite experience has been a basis for improving quarters management in general and the rate setting process in particular throughout the Service and the Department.

In May of 1983, several parks and this office participated in a 5-day workshop to prepare recommendations for revisions to OMB Circular A-45, to the Departmental Handbook, and to the NPS-36 Guideline. The questions at Yosemite showed the inequities and problems with previous guidelines. The Department has since modified the survey process and made changes in the statistical analysis to correct deficiencies that were found.

In September of 1983 this office issued a special call to our other field areas to review housing records, verify inventories, involve tenants, etc., so that they would be properly prepared to implement their survey rates. We did not have requests for reconsiderations from those areas.

In October 1983, the Department issued a tenants brochure to explain the background and the rate setting process. Again, because of employee concerns, expressed at Yosemite, we knew we had to do a better job of informing our employees and training our quarters administration personnel. We've done this in our regional office and in the parks that I oversee. For example, we have established a Housing Management Assistant position in the regional office, separate from the Property Management Branch so as to give emphasis to the program. My Regional Housing Officer has made four trips to Yosemite this past year to help ensure that we are in fact administering the program properly.

Some of the basic issues of the first lawsuit are still unresolved. For example, the former OMB Circular required that regional surveys be done of Economically Homogeneous Areas (EHA), and many people have challenged the idea that California can be considered one single EHA. The lawsuit was dismissed before the Court ruled; but in the meantime, the circular and regulations were rewritten to remove that requirement.

WASO delayed implementation of rates a month to get more information. In February and March 1983 many employees wrote requests for reconsideration, but these were not answered. There's no denying that the Yosemite staff failed to do the required physical inventory prior to the 1981 survey, and it failed to respond timely to employee requests for reconsideration. But once these deficiencies were recognized, we took action to correct them. We have had an inventory made. My own staff, with assistance from Washington and Yosemite prepared interim replies in August 1983 and final decisions in September 1983 to all 135 employees requesting reconsideration.

During June and July of 1983, this office worked with the Field Solicitor to prepare background information for the U.S. Attorney's Office in preparation for a lawsuit. On August 5, the Yosemite Tenants Association filed its complaint and asked for a temporary restraining order (TRO). We worked with the Solicitor and the Assistant U.S. Attorney to prepare our brief, which was filed on August 15. The Judge denied the TRO on August 23. On September 13, the park's administrative record was turned over to the Court, and on September 19 the Government filed its brief in opposition to a Preliminary Injunction. On October 7 and 12, hearings were held in District Court.

In January 1984, WASO advised that OMB was delaying the February 1984 CPI adjustment until April 1984 in California and other areas.

On March 13, WASO advised that the Departmental Quarters Handbook was to be rewritten to conform with the revised OMB Circular A-45 and designated the Administrative Officer at Yosemite to assist. On March 15, 1984, Judge Price decided that there would be a

preliminary injunction, ordering attorneys to meet to discuss formulation of the preliminary injunction because it was "important that the injunction be fashioned in such a manner that the Secretary be given appropriate discretion and flexibility in responding to the problem that this preliminary injuction may cause." The judge noted that "administrative convenience rather than regulatory compliance" had occurred, and that a physical inventory was not taken. He stated that, "It is important that the mistake of 1983 not be repeated 3 years hence" and he criticized "substituting an unauthorized methodology instead of using the prescribed economically homogeneous community."

In October, temporary regulations were drafted by the Departmental Housing Officer to amend the CFR regarding quarters management.

On October 30, we asked the Director to address recurring questions regarding the 20% of salary limitation, the new A-45 circular, etc. In late December we were notified that OMB had removed the 20% limitation, but we were authorized to continue its use until the next survey.

On February 15, 1985, Assistant U.S. Attorney Demas wrote comments on the Temporary Regulation (IPMR Temp. Reg. 34 dated 12/21/84); he requested publication as soon as possible, and noted, "Please keep in mind I have attempted to review these proposed regulations primarily for the purpose of defending a challenge to a rental rate by employee/tenants." Relative to NPS-36, he said, "...hopefully to eliminate problems in defending further rental increases imposed by the Park Service." Perhaps Assistant Secretary Horn knows why the regulations were not published until December 10, 1986, nearly two years later, despite many pleas and reminders by legal counsel that we needed permanent regulations.

Throughout the rating period, (and since) I have kept up with the status of this case. On November 25, 1985, Judge Price dismissed the Tenant's Associations suit against the Government (although the Judge did not issue a written order until May 21, 1986). On March 5, 1986, I personally announced to the employees at Yosemite that the lawsuit had been dismissed, and that I would have the appropriate people from my staff come to the park to explain the situation, to give detailed information, and to answer their questions as soon as we had direction. In April, I also signed a memo to all employees at Yosemite giving more information. During April and May, as we were working with legal counsel and with our housing management counterparts, we took steps to minimize adverse impacts where possible. I personally modified the proposed implementation schedule to allow for incrementing where legally possible. I had several members of my staff go to Yosemite to meet with employees in May, prior to the June rent increase.

Both myself and my chief assistant, the Associate Regional Director for Operations, have kept abreast of the new survey implementation, of the charges and countercharges, and of the new lawsuit. I believe strongly that the employees should not be in court again at this time. We, with a lot of help from the Departmental Housing Office, have made many improvements over the 1983 actions. We have been responsive to employee questions. We have opened dialogue. The staff is more technically competent now, both in the region and in the park, but certain individuals

have chosen to fight in court rather than to use the available administrative channels, over which I have some control. On December 8, 1986 Judge Price again denied a temporary restraining order against the government that had been requested by the Yosemite Tenants Association.

At this time, my staff is preparing responses to 17 Requests for Reconsideration from Yosemite tenants (there have been none from other parks) relative to the February 1987 CPI increases. We are also working with legal counsel to prepare our case on behalf of the Government.

Again in summary, it is very true that the YOSE housing situation has required Mr. Horn's attention.

It also has required the attention of Departmental officials as well as the Washington NPS staff, the region and the park. The issues stem from changing directions in rental survey responsibility and many inter-related events relative to procedures for implementing rental rates. I do not profess it to have been a model of housing administration but to single out any one level of management as being responsible is to do so without appreciating all the facts.

Question: Were you given two options for a rating for Mr. Chapman--one rating based on an assessment of his performance and a different one, a higher one, if he would agree to a specific time to retire? Are ratings that are based on conditions, such as announcing a retirement date, consistent with personnel management law and practice? I am told that this is not a normal practice and that it may be a prohibited personnel practice. Would you prepare a complete response for the record?

Answer: The Performance Review Board deliberations related to Mr. Chapman yielded an unusual recommendation and advice to me. The Performance Review Board was evidently aware of Mr. Chapman's tentative plans to retire and felt that if that were the case they would prefer not to directly enjoin issues related to his performance which might indicate that his performance level was less than fully satisfactory or the level IV. The Performance Review Board indicated, however, that if Mr. Chapman were not planning to retire, they were clearly of mind to take up these issues and recommend that Mr. Chapman be reassigned and rated at the level IV. This discussion was somewhat moot when the Director informed me that Mr. Chapman indicated that he was planning to retire in September 1987. Thus, the Performance Review Board's recommendation was recorded as a level III per their instruction to the Chairman of the Performance Review Board.

Question: Mr. Horn, I have a memo here addressed to the Director of the National Park Service, and signed by you on October 30, 1986, concerning Mr. Howard Chapman's performance appraisal. It starts off by saying, "I have provided my preliminary summary rating of level IV to you for review." Do you recall this memo?

Answer: Yes, I do.

Question: Is this consistent with your earlier answers?

Answer: Yes, it is.

Question: I understand that the latest rating for Mr. Chapman is a fully satisfactory one. Do you have any plans to transfer Mr. Chapman to another Region?

Answer: I have no current plans to transfer Mr. Chapman to another Region.

HARPERS FERRY NATIONAL HISTORICAL PARK

Question: How much do you estimate will be raised in fiscal 1987 at Harpers Ferry?

Answer: We currently estimate that $264,000 will be collected during the remainder of 1987.

Question: How much of that will be retained by the park to supplement appropriated funding?

Answer: Technically, none of the revenues collected will be retained by the park. For 1987 all fee receipts will be deposited in the General Fund. However, Congress did directly appropriate an additional $3.5 million for fee collectional costs and $15 million to enhance interpretive, research, resource protection, and maintenance activities in the parks, half to be distributed based on size of budget and half based on entrance fee revenues. From these additional funds Harpers Ferry National Historical Park will receive $100,000 to initiate the collection of an entrance fee, and $106,600 to enhance park operations. The total of these two figures, $206,600, is 78 percent of projected revenues for 1987.

Question: What will happen to the remainder of the receipts?

Answer: All receipts collected during 1987 will be deposited in the General Fund.

Question: What types of projects will be funded with the fee receipts?

Answer: Projects that will be funded with fee receipts are:

Seasonal staff for interpretive programs and visitor service activities.

Seasonal staff for the protection of public and park resources.

Increases in the level and quality of janitorial services to public use facilities during heavy visitor use periods.

Repairs to the exterior and interior of several historical building.

Archeological investigations on Virginius Island.

Seasonal Curatorial Aids.

Conservation of Bolman Bridge

Seasonal interpretive staff for fee collection.

Question: What are you proposing for fee changes at Harpers Ferry in fiscal year 1988?

Answer: The Service plans no changes in 1988 in either the fee rates or the method of collection at Harper's Ferry National Historical Park.

OFFICES OF THE SECRETARY AND ASSISTANT SECRETARY
STAFFING AND EXPENSES

Question: Please provide for the record a detailed listing of the anticipated expenses, and the appropriated amounts, for the Immediate Office of the Secretary (include Under Secretary) and

the Office of the Assistant Secretary Fish, Wildlife and Parks, by FTE, staffing, and object class. The information should be provided for FY 1987 and FY 1988.

Answer: The information follows:

OFFICE: SECRETARY'S AND UNDER SECRETARY'S OFFICE

($000)

	FY 1987 APPROPRIATION	FY 1988 BUDGET ESTIMATE
SALARIES	$1,214	$1,564
BENEFITS	137	263
TRAVEL	100	120
OTHER COMMUNICATIONS & UTILITIES	38	42
PRINTING	17	17
OTHER SERVICES	50	100
SUPPLIES	30	30
EQUIPMENT	0	0
TOTAL	$1,586	$2,136
FTE	27	34
CURRENT ON BOARD	29	

OFFICE: A/S-FISH & WILDLIFE & PARKS

($000)

	FY 1987 APPROPRIATION	FY 1988 BUDGET ESTIMATE
SALARIES	$492	$592
BENEFITS	55	103
TRAVEL	25	25
OTHER COMMUNICATIONS & UTILITIES	10	10
PRINTING	8	15
OTHER SERVICES	7	10
SUPPLIES	3	5
EQUIPMENT	0	2
TOTAL	$600	$762
FTE	12	14
CURRENT ON BOARD	12	

REVISION OF NATIONAL PARK SERVICE MANAGEMENT POLICIES

Question: Please provide for the record a schedule of policy manual revisions and describe how the public and the Congress, and others, will be involved early, as revisions are being drafted, not after they are drafted.

Answer: The revision of National Park Service Management Policies was initiated on January 14, 1987, and is scheduled to be in final draft form at the end of July 1987. One or two chapters will be initiated each month for a review cycle of two and one-half months. In accordance with the Administrative Procedures Act, 5 U.S.C. 553, we anticipate publishing a notice of availability of the draft document and a solicitation for comment in the Federal Register in August 1987, for a period of 120 days. At the close of the public comment period, comments will be reviewed and responded to--either by incorporating suggestions or explaining why suggestions were not incorporated. Notice of availability of the final policy manual along with response to comments will be published in the Federal Register. The schedule for policy manual revisions is as follows:

NATIONAL PARK SERVICE
MANAGEMENT POLICIES REVIEW SCHEDULE

REVIEW PERIOD I - LAND ACQUISITION
CONCESSIONS

01/14/87	Meeting
01/21/87 - 02/18/87	WASO Review
02/23/87 - 02/27/87	Incorporate Comments
03/02/87 - 04/24/87	Field Review
04/27/87 - 05/01/87	Incorporate Comments
05/04/87 - 05/30/87	Solicitor, WASO Directorate Review
06/01/87 - 06/05/87	Final Draft
06/08/87 - 07/03/87	Review and Approval by Assistant Secretary

REVIEW PERIOD II - PLANNING

02/11/87	Meeting
02/13/87 - 03/17/87	WASO and Field Review
03/18/87 - 03/27/87	Incorporate Comments
03/30/87 - 04/24/87	WASO, SOL, A/S Review
04/27/87 - 05/01/87	Final Draft

REVIEW PERIOD III - USE OF THE PARKS

03/11/87	Meeting
03/16/87 - 04/10/87	WASO and Field Review
04/13/87 - 04/17/87	Incorporate Comments
04/20/87 - 05/15/87	WASO, SOL, A/S Review
05/18/87 - 05/22/87	Final Draft

REVIEW PERIOD IV - CULTURAL RESOURCES
PARK FACILITIES

04/15/87	Meeting
04/17/87 - 05/15/87	WASO and Field Review
05/18/87 - 05/22/87	Incorporate Comments
05/25/87 - 06/19/87	WASO, SOL, A/S Review
06/22/87 - 06/26/87	Final Draft

REVIEW PERIOD V - NATURAL RESOURCE MANAGEMENT
WILDERNESS PRESERVATION AND MANAGEMENT

05/13/87	Meeting
05/15/87 - 06/12/87	WASO and Field Review
06/15/87 - 06/19/87	Incorporate Comments
06/22/87 - 07/17/87	WASO, SOL, A/S Review
07/20/87 - 07/24/87	Final Draft

REVIEW PERIOD VI

06/10/87	Meeting
06/12/87 - 07/10/87	WASO and Field Review
07/13/87 - 07/17/87	Incorporate Comments
07/20/87 - 08/14/87	WASO, SOL, A/S Review
08/17/87 - 08/21/87	Final Draft

REVIEW PERIOD VII

07/15/87	Meeting
07/17/87 - 08/14/87	WASO and Field Review
08/17/87 - 08/21/87	Incorporate Comments
08/24/87 - 08/28/87	WASO, SOL, A/S Review
08/31/87 - 09/04/87	Final Draft

REVIEW PERIOD VIII

08/12/87	Meeting
08/14/87 - 09/11/87	WASO and Field Review
09/14/87 - 09/18/87	Incorporate Comments
09/21/87 - 10/16/87	WASO, SOL, A/S Review
10/19/87 - 10/23/87	Final Draft

NEW RIVER GORGE NATIONAL RIVER

Question: According to the budget justification, no money is requested for planning or construction of new projects at the New River. No additional funds are requested for land acquisition. In fact, the budget proposes to rescind the $1 million I worked to get added last year. Aren't there some projects that need funding in fiscal 1988? For example, what are your plans for interpreting the Kaymoor Mine area?

Answer: The enormity of the Kaymoor project and the scope of issues that need to be addressed such as how to interpret the

site, how to provide safe ingress and egress for the visitor, whether to clear the mountain slope to its historic appearance and other relative issues demand the involvement of experts to prepare a roadmap of the direction in which this project is to proceed. A meeting in early April of staff from the Washington Office, Denver Service Center, and others will identify the needs for this unique area and costs associated with the next steps of planning and development.

Question: What needs to be done to stabilize the most significant of the numerous coke ovens scattered throughout the Gorge that are getting older each year?

Answer: As a portion of the Kaymoor study funded by the Congress in 1986, a contract was awarded to Dr. Emory Kemp of West Virginia University to identify structures, machinery and other cultural remains including the numerous coke ovens at this site. The report will designate those facilities that should be stabilized, how the stabilization should be achieved and the costs associated with this objective. A preliminary estimate of the work proposed is expected in the next few months with completion of the report scheduled by the end of the fiscal year.

Question: What about basic natural and cultural resource protection around day-use areas?

Answer: Our basic natural and cultural resource protection efforts around day-use areas are limited as most areas are not in Federal ownership. We have been working with the State of West Virginia for several years in a cooperative water monitoring program that will continue during 1987. A resources management plan has been completed for the park. We recently added another full-time permanent resources management specialist to the staff to aid in the implementation of the resources management plan. These efforts will contribute to resource protection around day-use areas.

NEW RIVER PARKWAY

Question: I believe it was 4 years ago when then Director Russell Dickenson said that the Service would cooperate on the planning for the New River Parkway Authority. It is my understanding that $50,000 is needed for cooperative planning efforts in fiscal 1988. Have you been in contact with the authority and are you prepared to provide those funds within your base budget?

Answer: We have worked closely with the New River Parkway Authority in the preparation of a Development Concept Plan. A draft report has been completed and is presently under review within the National Park Service. Upon completion of the review and finalization of the report, it will be presented to the New River Parkway Authority. We believe the work will be completed this fiscal year with the monies that are available.

FEE PROPOSAL

Question: Let's now turn to a few specifics of your fee proposal. Will all of the $74.3 million in receipts be used to supplement ongoing programs or will some of it be used to offset program costs?

Answer: The Service is requesting an appropriation of $74.3 million less than would have been required in 1988 without the fee revenues. By funding certain ongoing programs from fee receipts, the Service is able to request several operational increases from appropriated funds and retain numerous 1987 congressional add-ons within the base for 1988. In addition, the Service is proposing to supplement ongoing programs from the fee receipts, particularly those in the areas of interpretation, research and resource protection.

Question: If Congress does not agree to an increased fee schedule, but continues the 1987 fee program, by my calculation the Service will end up with $14.9 million less, on a comparable basis, than you had in 1987. Is that correct?

Answer: Should Congress not agree to an increased fee schedule for 1988, but instead continues the 1987 fee schedule, the Service estimates that 1988 fee revenues would total $62.5 million. This would be a reduction of $11.8 million from the $74.3 million estimated in the Service's 1988 budget request. The reduction in revenue would be a result of the following:

Capping the single visit rate at $5; a total of 11 "prime" areas are slated for an increase to a maximum of $10 in the 1988 request	-$8.9 million
No one-time $10 fee for the Golden Age Passport	-$1.9 million
Retaining the $25 fee for the Golden Eagle Passport; the fee for this pass is to be increased to $40 for 1988 ...	-$1.0 million
Total	-$11.8 million

The decrease in the revenue estimate would reduce the Service's total operating request for 1988 to $703.0 million from the previous estimate of $714.8 million. The adjusted amount would still result in an increase of $29.2 million over the 1987 appropriations to date of $673.8.

Question: It seems to me that what you have done with your fee proposal is to have made a number of reductions in basic programs that would normally be funded through appropriations, and substituted fee receipts for those appropriated funds. Pages 5, 6, and 7 of the justification specifies those activities that have been reduced. Don't they?

Answer: The programs listed on page 5, 6, and 7 of the 1988 Budget Justifications were funded through appropriations in

1987. For 1988, the Service is proposing to use fee revenues to continue the programs at the level provided in 1987, as well as fund the proposed increases listed below:

(dollars in thousands)

Fee Collection Activities	+$1,500
Cultural Resources Preservation Program	+625
Natural Resources Preservation Program	+660
Informational Publications	+500
Volunteers-in-Parks	+500
Enhanced Park Operations	+3,500
Total, Proposed Increases	+7,285

Question: Is it time for a "truth in labeling" requirement for National Park fees? While it is true that all of the money collected during the year goes to fund park programs, isn't it equally true that about 75% of the fee money will be used to cover cuts made in the budget proposal or to cover increased costs to operate last year's program?

Answer: Based on the proposed uses of the estimated $74.3 million in fee revenues as described on pages 5, 6, and 7 of the 1988 National Park Service Budget Justifications, $67 million or 90 percent will be used for programs funded through appropriations in 1987, and $7.3 million, or 10 percent, will be used to increase these programs above the 1987 budgeted level. By shifting a number of these programs from appropriated funds in 1987 to the fee program in 1988 the Service is able to cover other proposed increases in 1988 that are not appropriate for funding from recreation fees. The total request of $714.8 million still represents an increase of $41.1 million over the 1987 appropriation.

Question: Isn't it also true that if for some reason, such as a hike in gasoline prices and a resulting drop in visitation, the anticipated receipts do not materialize in 1988, the Park Service will simply not have the money it needs to operate our parks?

Answer: Even if receipts fall short of $74.3 million due to a drop in visitation, the Service would sufficient funds for 1988 to effectively operate the parks.

HARPERS FERRY CENTER

Question: $9.5 million of the fee receipts in 1988 are budgeted for interpretation and visitor services. If the fee proposal is not enacted, will the Service close the Harpers Ferry, West Virginia, interpretive design center? Is that the way the justification is meant to be read (pp. 5 and pp. 44)?

Answer: If the fee proposal is not enacted the Service will make the necessary adjustments in other programs to ensure that the Harpers Ferry Center remains open and fully operational.

Question: Can I have your assurance that the Center will be fully funded next year?

Answer: You have my assurance that the Harpers Ferry Center will be fully funded in 1988 whether or not the proposed fee legislation is enacted. If the fee proposal is not enacted and, as a result the Service's fiscal 1988 operating budget is decreased by the $74 million to be derived from fees, there may be some minor reductions in the information publications program administered by the Center.

Question: Please provide the Committee with a complete statement of priorities and a strategy for dealing with the funding shortfall that would occur if Congress does not agree to a fee system in 1988.

Answer: A strategy for addressing the funding shortfall if the proposed fee program is not enacted is outlined as follows:

SCENARIO FOR FISCAL 1988 BUDGET
IF FEE PROGRAM IS NOT ADOPTED

	($ millions)
FY 1988 "Operation of the National Park System" request	714.8
Amount to be Derived from Fees	74.3
Appropriation request	640.5

In the Fiscal 1988 Budget Justifications, the Service identifies $74.3 million of programs to be funded from fees. These programs were chosen because they fit the Director's criteria (interpretation, research and resource management) and could be managed, controlled and described as discrete NPS programs. To the extent possible, project type accounts (executed through contracts) were chosen to allow the flexibility needed given the uncertainty of the amount to be collected and the lateness in the fiscal year much of the collections will be received.

It does not necessarily follow, therefore, that these programs would be the ones sacrificed in the event Congress does not agree to a fee program. One possible scenario to reduce our "ONPS" request by $74.3 million would be as follows:

	ONPS Savings ($ millions)
Absorb Pay Cost and FERS Retirement Cost within Each Park and Program 1/	33.6
Eliminate Funding for Enhanced Park Operations	18.5
Eliminate Funds for Increased Fee Collection Costs	5.0

1/ An option maybe to trade (by rescinding) prior year carryover balances available in "Land Acquisition" and "Construction" to fund these items.

	ONPS Savings ($ millions)
Eliminate Increase in Informational Publications Provided in Fiscal 1987 ($.5 million) and Requested in Fiscal 1988 ($.5 million).....	1.0
Eliminate Increase in VIP Funding Requested in Fiscal 1988.....	.5
Eliminate Portion of Fiscal 1988 U.S. Park Police Request that is above Fiscal 1987 Supplemental Request (i.e., Continue Funding for Overtime, Gateway, Annualizing Two Recruit Classes, Summer Auxiliary and Equipment).....	3.2
Eliminate Fiscal 1988 Increases for Cultural and Natural Resources Management Programs.....	1.3
Provide for Grizzly Bear Planning within Natural Resource Management Program Instead of Requesting Increase.....	.4
Defer Cyclic Maintenance and Repair/Rehabilitation Projects.....	10.8
	74.3

ENHANCED PARK OPERATIONS

Question: On page 7 of the Justification, you specify that $18.5 million of the $74.3 million in fiscal year 1988 fee receipts will be used for "enhanced park operations." What can you tell us about the distribution of this enhanced funding?

Answer: The amount proposed for enhanced park operations will be distributed in a manner similar to the formula included in Public Law 99-591 with the following changes. First revenues from user fees as well as entrance fees would be considered in distributing a portion of the $18.5 million to those parks that generate fee revenues. Second, the distribution of a portion of the enhanced funding to all parks would be based on an approach that allowed some managerial discretion to direct funds where they are most needed.

Question: The appropriations language you have proposed would do away with the 50% split for collecting parks and 50% for noncollecting parks Congress prescribed for fiscal 1987. Will the enhanced funding be distributed Systemwide?

Answer: The enhanced funding will be distributed Systemwide as was the case in 1987.

Question: What does that do to the reward system necessary for superintendents to try and collect fees?

Answer: Parks that generate revenues from entrance and user fees will continue to receive a larger share of the funds proposed for "enhanced park operations" than nonfee areas.

FEE COLLECTION SYSTEM

Question: We both know that the Energy and Natural Resources Committee is the appropriate committee to deal with permanent fee legislation. However, as long as the appropriations Committee enacts one year legislation, it seems appropriate to me for us to provide appropriations up front in an amount equal to our estimated receipts, rather than to have the agency try, in some way, to institute a complicated accounting system for collecting and using fees in the year in which they are collected.

Do you object to our efforts to solve that particular problem as we have attempted to do so?

Answer: We have no objection to your efforts in that regard. However, we believe the approach as proposed in the 1988 budget is workable if permanent fee legislation is enacted.

REIMBURSEMENT POLICY FOR LOCAL FIRE DEPARTMENTS

Question: Would you provide for the record the Park Service policy on reimbursing local Fire Departments for services provided at the request of the Service? For example, if there is a fire on Service lands and the Service requests assistance, does the Service normally reimburse non-Federal Fire Departments for those services?

Answer: The National Park Service policy for working with local Fire Departments is to develop a Cooperative Agreement that defines future interaction and a payment schedule for services. It is possible through the National Fire Prevention and Control Act of 1974 for a local department to bill the Federal Government for services rendered in the absence of an agreement. That process, however, is very involved and protracted, and requires transfer of funds between the U.S. Fire Administration, Treasury, and agency involved. For that reason, the agreement is the preferred means to achieve this objective.

Question: What is your policy in those instances where the Service is fighting a fire on Service lands and the local fire dispatcher, but not the Service, requests assistance from non-Federal Fire Departments?

Answer: Most of the dispatching today is done by or through multiagency channels. The National Interagency Agreement between the Secretaries of Agriculture and Interior provides full interchange of resources on fires. Most of our dispatch is through interagency dispatch centers under this authority. In many cases, local agreements also tie Federal, State and local resources into the dispatch center. For dispatchers totally out of this network, the park should have a specific agreement to define their procedures.

HARPERS FERRY NATIONAL HISTORICAL PARK FEES

Question: Mr. Mott, I appreciate your reassurances concerning the intent of the fee program and that you don't want to inadvertently hurt parks by an entrance fee set too high for local residents. Would you prepare a report for me by September 15 (which would be prior to fiscal 1988) which would review the impact of the fee program on park units nationwide, and in particular Harpers Ferry National Historical Park, including such aspects as rates of visitation, level of visitor acceptance of the fees, an estimate of revenues collected, and a sampling of projects funded with fee receipts and a discussion of how those projects enhance the park for future visitors?

Answer: We have already advised parks to start keeping much of the information you are requesting. It is our intent to monitor such things as visitation, and visitor acceptance on a monthly basis, adjusting where appropriate and where practical. We will be happy to prepare a report in September summarizing the impact of the fee program in 1987.

Question: Can I have your assurance that if the review develops any indication that fees are hurting Harpers Ferry National Historical Park, you will consider reducing the fee to $1 or, if necessary, eliminate it altogether?

Answer: We have no intention of adopting a policy that would hurt Harpers Ferry. Harpers Ferry is an example of where the visitor will have an option of selecting the level of experience. If someone wishes to walk the streets, picnic beside the river, or lunch at a local restaurant, there will be no charge. Not everyone will want the tour of the buildings, but that option will be available.

NEW RIVER GORGE NATIONAL RIVER

Question: Mr. Mott, I think it is appropriate for you to review and comment on NPCA's report concerning conditions at New River Gorge National River. I do, however, want to assure you that continued development of New River Gorge National River is a top priority project for West Virginia. I would hope that, after reviewing NPCA's comments and our own questions, you would join with me in resisting further delay at New River.

Specifically, would you include in your review of the NPCA report a list of high priority actions that are needed to address those problems? I understand that, from the point of view of the President's budget, you may be constrained from answering if those answers could be interpreted as asking for additional money in 1988. I want you to do a fully professional review and I will not in any way interpret your response as an appeal for additional funding.

Answer: We share your concern over the conditions alleged in the National Parks and Conservation Association's report. An indepth analysis of the report has been performed and a draft response is currently being reviewed in my office. Upon completion of the review, we will provide the Committee with a

report outlining the highest priority actions needed to address those problems.

VISITOR TRANSPORTATION SYSTEMS

Question: The 1987 budget requested $4.0 million for visitor transportation systems at a number of parks, including Yosemite NP, California. That amount was provided, however your 1988 budget requests $2.6 million and does not list the Yosemite system. Why is there this discrepancy? Please provide a complete explanation for the record.

Answer: To understand the status of funding for visitor transportation systems (VTS) it is necessary to review budget justifications for 1985, 1986, 1987, and 1988. Beginning in 1983, the Administration proposed to eliminate all Federal funding for visitor transportation systems in parks by finding qualified concessioners to operate the systems. In 1983, 4 of 16 systems were converted to concessioner operation: Yosemite National Park, Everglades National Park, Cumberland Island National Seashore, and Dinosaur National Monument. In action on the Service's 1984 budget request Congress added full funding for VTS operations in all 16 parks. Thus, the 1984 add-on included approximately $1.5 million that was excess to the amount needed, because four of the systems were already being operated by concessioners. This is acknowledged in the base description in the 1985 Budget Justifications.

A reprogramming letter was not sent to the Appropriations Subcommittees because the funds were used in part to cover increased Federal pay and other needs within the same budget subactivity, as well as emergency storm damage repairs. Amounts unobligated at the end of the year were used to cover a portion of the emergency law and order and search and rescue costs. The Service proposed a reduction for VTS operations in the 1985 budget that reflected the savings resulting from concessioner operation of the four systems. However, Congress did not enact the proposed cut.

In the 1986 budget, responding to language included in House Report 98-886 as well as Congress' decision not to enact the proposed budget decrease in 1985, the Service planned to take steps to return the four concessioner run systems to NPS operation and funding. This is reflected in the base description from the 1986 Budget Justifications. Because of the nature of the contractual agreements as well as decisions made by the acting NPS Director, only the shuttle bus at Dinosaur National Monument returned to NPS funding. Approximately $1.4 million in excess funds were again redirected to other needs including a cost increase in the contract for the shuttle bus operation at Denali National Park, emergency storm damage repairs, and a portion of the emergency law and order expenses.

In 1986 there was no change in the status of the three visitor transportation systems operated by concessioners. This fact was acknowledged in the base program narrative for the 1987 Budget Justifications. However, base funding was incorrectly shown at

the same level as the 1986 budget, a level that assumed all systems would be operated by the National Park Service. In fact, $2.8 million was programmed for VTS operations. The savings from Yosemite, Everglades, and Cumberland Island were permanently redirected in 1986 to supplement the Servicewide Emergency Storm and Flood and Structural Fire Damage account.

For 1987, several changes in VTS operations have taken place. Mesa Verde National Park is no longer listed because the park has discontinued bus service to Wetherill Mesa, and will instead open this area to vehicular traffic. Visitors will still be transported by mini-tram from the Wetherill Mesa parking area to the various ruin areas. The shuttle bus at Point Reyes National Seashore is being operated by a contractor and funded entirely from donations. The Service reconsidered an earlier decision to discontinue the shuttle service at Cape Cod National Seashore. These changes were reflected in the 1988 Budget Justifications.

The total 1988 base reflects the budgeted cost of visitor transportation systems in the 11 areas where this service is funded by the National Park Service. These areas are listed below:

Cape Cod National Seashore.....	$20,000
Carl Sandburg National Historic Site.....	3,000
Fort Matanzas National Monument.....	34,000
Denali National Park and Preserve.....	1,319,100
Dinosaur National Monument.....	61,000
Grand Canyon National Park.....	622,200
Kennesaw Mountain National Battlefield Park	26,200
Lyndon B. Johnson National Historical Park.	340,000
North Cascades National Park.....	35,500
Redwood National Park.....	38,600
Rocky Mountain National Park.....	71,000
Total, NPS operated systems.....	2,570,600

The Budget Justifications also indicated that services in four other parks are provided by park concessioners. These four areas are Yosemite and Everglades National Parks, Cumberland Island and Point Reyes National Seashores as mentioned above.

It is also worth noting that there is no "base" as such for visitor transportation systems. Funds for this service are part of the operating base budget of each park. They are not allotted and controlled as a separate funding source.

U.S. PARK POLICE FUNDING

Question: We normally review and approve changes to the budget structure for the Service. Why was there no change proposed for the new subactivity established in 1988 for funding the U.S. Park Police?

Answer: The subactivity for the U.S. Park Police was created by shifting funds that in previous budget submissions were clearly identified within the base for the Visitor Protection and Safety subactivity. This change is not a new way of

displaying, combining, or budgeting funds. It simply highlights what the Service believes is a distinct and important law enforcement function. It will also facilitate fiscal management and accountability. Since no redirection of funds was involved in this change, and, in fact, it provides the Appropriations Subcommittees with more information than was previously available, advance approval was not sought.

PARK POLICE FUNDING

Question: You have requested a 1987 supplemental appropriation of $4,631,000 (p. 181) for the United States Park Police, and a 1988 increase of $7,551,000 (p. 56). If both requests are funded, this would be an increase of $12,182,000 (or +58%) over 1987 appropriations to date of $21,115,000 for operations of the Park Police. Can an increase of that magnitude be wisely spent?

Answer: The increase of $7,551,000 requested for United States Park Police operations in 1988 includes base funds for those activities which would initially be funded -- for 1987 only -- from the supplemental appropriation request of $4,631,000. The total amount requested for 1988 over the 1987 operational base would be $7,751,000, or 36 percent, which the Service has earmarked for the most urgent operational needs of the United States Park Police.

The 1988 request would allow full-year implementation for all of the items contained in the supplemental request, as well as providing funds for additional park police requirements. It would provide full year 1988 costs for the continuation of two park police recruit classes from 1987 and for the continued employment of summer auxilary employees in Washington, D. C., both of which are components included in the 1987 supplemental request. Funds requested in 1988 would be used to provide a base for overtime coverage by U.S. Park Police officers for special events in the Washington, D. C. metropolitan area and for additional peak season law enforcement at Gateway National Recreation Area in New York. This item, also included in the proposed 1987 supplemental appropriation, had previously been funded from emergency authority. Funds for supplies and equipment included in the supplemental request are also contained in the 1988 request, at a slightly higher amount to reflect the continuing needs of the onboard and additional staff.

The 1988 request would provide funds for three additional recruit classes of park police to be initiated during 1988, making a total of five recruit classes above the current complement. The funds proposed for supplies and materials in 1988 would allow for improved communications and computer capabilities and for the timely replacement of such items as uniforms, bullet proof vests, police cruisers and motorcycles. In addition, the request includes funds to cover the full year 1988 cost of the 1987 pay increase and a small component for those civilian employees who are eligible for the recently enacted Federal Employees' Retirement System.

A summary of the increased operational funding requirements for the United States Park Police for 1987 and 1988 follows:

	Proposed FY 1987 Supplemental	Addtional Need FY 1988	Total Need FY 1988
Recurring previously unbudgeted law enforcement costs in Washington, D. C. and Gateway NRA	$2,220	--	$2,220
Additional Recruit Classes	1,203	$2,050	3,253
Summer Auxilary Employees	143	--	143
Supplies and Equipment	1,065	142	1,207
Full Year Cost 1987 Pay Increase	--	578	578
Increase for Federal Employees' Retirement System	--	150	150
Total	4,631	2,920	7,551

EMERGENCY LAW AND ORDER AUTHORITY

Question: GAO concluded last year that the Service had been using Emergency Law and Order Authority to fund anticipated, recurring law enforcement costs. The Congress changed the 1987 emergency authority to require reprogramming notification for future uses of this authority. Please provide a complete statement of what types of expenses and situations will be covered with the emergency authority, the notification system you propose to use with the Committee, and how the Service plans to use the $2,220,000 requested in the supplemental to avoid recurrences of the abuse of the Emergency Law Enforcement Authority.

Answer: Requests for emergency law and order funding are reviewed on a case by case basis. Special Staff Directive 86-6, "Use of Emergency Law and Order Funding," governing the use of this authority was issued on July 11, 1986. Only those incidents that are truly emergency in nature or clearly constitute an unforeseen increase in law enforcement activity levels, pose a serious threat to public safety or the park's resources and are clearly beyond the capabilities of the staff and budget of the Region involved may qualify for emergency law and order funding.

Prior to the end of the fiscal year, the Service will notify the Committees regarding planned use of transfer authority based on obligations to date and the "worst case" projections for the balance of the fiscal year. This would allow the Service to continue with the current procedure for incident approval and monitor the Servicewide implementation of the revised standards as described above. In the event the requested transfer authority would be denied by Congress, it would be necessary to inform the Regions and parks that they must absorb all unbudgeted Emergency Law and Order costs incurred for the full year. This action would

have the potential for causing major disruptions to park operations for the remainder of the fiscal year.

The $2,220,000 requested through the supplemental will be used to pay for additional seasonal law enforcement aids to handle routine law enforcement responsibilities during the peak visitor season and overtime for permanent U.S. Park Police officers and other law enforcement personnel for coverage at planned special events, parades, festivals, celebrations, and demonstrations. These are obligations that, in prior years, would have been charged to the emergency authority.

U.S. PARK POLICE
LAW AND ORDER FUNDING OFFSET FUNDS BREAKOUT

Question: How was the $2,220,000 calculated?

Answer: The dollar amounts were calculated by examining prior year utilization of the emergency authority as shown on the following table. Prior to calculating averages, or plotting trends, such anomalies as the Presidential Inaugural activities were first factored out. Events within Regions other than the National Capital Region, North Atlantic Region, or Western Region, where U. S. Park Police Officers were utilized at the request of the host Region, were excluded as well. Similarly, no allowances have been included for extraordinary events. Examples of the latter would be: the Air Florida 90 crash, a natural disaster, or post Libyan Strike special security arrangements.

The New York Field Office and Gateway NRA Summer Detail was handled as a separate issue. Here, both the prior year data, and current plans for the upcoming season formulated by the North Atlantic Region and the Gateway staff were considered.

NATIONAL CAPITAL REGION
UNITED STATES PARK POLICE

Law and Order Emergency Funds Utilization
1980 - 1986
(Dollars in thousands)

Fiscal Year	USPP Metro 1]	USPP NYFO 2]	Summer Detail	USPP SFFO 3]	USPP Total
1986	1,623.9	73.9	NONE	9.6	1,707.4
1985	1,881.3	0	763.0	21.9	2,666.2
1984	1,207.9	0	531.4	140.0	1,879.4
1983	938.7	.6	560.4	69.2	1,569.0
1982	1,298.8	0	646.0	29.4	1,974.2
1981	1,016.6	39.4	247.0	8.7	1,311.6
1980	1,418.6	48.4	123.3	18.9	1,609.1

1] Washington Metropolitan Office
2] New York Field Office
3] San Francisco Field Office

Question: Please show the past 10 years use of the emergency authority, breaking Gateway NRA, NY, and Golden Gate NRA, California, out separately.

Answer: The table included in the response to the previous question expenditures under the emergency authority for the years 1980 through 1986 inclusive. Details of years prior to 1980 are not available.

POTENTIAL RACIAL TROUBLE--GATEWAY NATIONAL RECREATION AREA

Question: What is the Service's assessment of potential racial trouble in Gateway National Recreation Area, New York, as an extension of the recent Howard Beach incident?

Answer: The Service believes that the potential exists for racial problems at various park locations during the summer of 1987, given the current tensions that are present in the area. Frank Charles Park, a part of Gateway National Recreation Area, is within the community of Howard Beach, and the North Channel Bridge parking lots, also areas within the park, are immediately adjacent to the community. In addition, Jacob Riis Beach, which often has as many as 100,000 visitors on any given summer Sunday, is an area with a long history of disruptive incidents. All of these areas are frequented by visitors of various races and ethnic groups and each situation possesses the potential for racial violence. As an illustration of the volatile situation in the New York area stemming from the incident at Howard Beach, the New York

City Police Department Bias Unit has attributed 72 citywide incidents to the specific Howard Beach incident during the first 6 weeks of 1987.

Question: Are specific contingency plans being developed?

Answer: General plans for this type of contingency are currently in place. Gateway National Recreation Area has, in the past, experienced public disturbances and demonstrations. The park has initiated steps to detail up to 13 United States Park Police officers from Washington, D. C., on weekends during the summer of 1987. In addition, plans are in place to hire up to 24 Park Police auxiliaries for the summer season, when tensions are expected to be the highest. Close coordination with the New York Police Department will be maintained and, in the event of a sustained emergency, Gateway National Recreation Area will request that additional officers be detailed from Washington, D. C., for the duration of the situation.

Question: Please provide for the record a summary of budget requests and appropriations for the U.S. Park Police for the past 5 years.

Answer: The U.S. Park Police's budget requests and appropriations for the past 5 years are as follows:

Fiscal Year	Request	Appropriation
	(Dollars In Thousands)	
1982	$16,466	$16,466
1983	18,445	18,045
1984	19,474	19,474
1985	20,228	20,628
1986	22,486	22,676

Cost escalation in requests represents increases in pay and pension benefits.

Question: Does the statement about "Funding Constraints" on page 181 imply that Congress has cut U.S. Park Police Funding?

Answer: The budget for the U.S. Park Police was subject to the same across-the-board reductions in 1985 (2 percent) and in 1986 (0.6 percent and 4.3 percent for Gramm-Rudman-Hollings) that were enacted for all programs funded under the "Operation of the National Park System" appropriation. The effect of these reductions was mitigated in part by additional amounts provided for police recruits in 1986 and 1987. The statement on page 181 is intended to imply that the overall need to reduce Federal outlays has meant no real growth in the budget of the U.S. Park Police during a period when the Force's workload has increased substantially.

UNITED STATES PARK POLICE--GATEWAY NATIONAL RECREATION AREA

Question: Please provide for the record a complete statement of how Gateway National Recreation Area, New York, will be managed

in future years to avoid the practice of detailing officers from D.C. to New York for the summer, a very expensive practice.

Answer: The Service is requesting an increase of $445,000 in the 1988 budget for additional law enforcement personnel to handle the peak summer workload at Gateway National Recreation Area. This increase, if approved by Congress, would provide a base of funding for this requirement in future years. The increased funds would allow for a fully staffed compliment of 69 sworn park police officers permanently stationed in New York and at least 22 additional seasonal police auxiliaries. For the summer of 1987 only, 13 officers would be detailed to Gateway from the Washington, D. C. metropolitan area for weekend duty, as has been the practice in past years. This interim step is necessary due to time involved in the hiring and training of new qualified officers. Once the full compliment is onboard and assigned to their duty station, which will occur before the summer of 1988, the expensive practice of detailing summer support from Washington, D. C., will be discontinued. In 1987, the cost of the detail and the hiring of the additional police auxiliaries will be funded from the proposed 1987 supplemental.

USE OF SEASONALS AND AUXILIARIES

Question: Does the USPP plan to increase the use of seasonals and auxiliaries? How and where?

Answer: As outlined within the Gateway National Recreation Area/New York Field Office joint summer detail planning document, we intend to make extensive use of seasonal auxiliary employees this summer season in the New York Field Office area of operations. Currently, we plan to utilize 22 auxiliaries in such places as Jacob Riis Park, Fort Tilden, and Canarsie Pier, as well as other park units with high seasonal visitation. Additionally, we are planning to hire a contingent of approximately 60 seasonal auxiliaries in the Washington, D. C., area for use in the monumental core area as well as Wolf Trap Farm Park. These temporary employees should greatly assist in relieving traffic and pedestrian control problems as well as providing visitor service and support functions which will allow our police personnel to concentrate on law enforcement and visitor protection. The funds necessary to implement the auxiliary hiring program are part of the 1987 supplemental request.

JOHN F. KENNEDY CENTER

Question: Is it feasible for the Kennedy Center to supplement its contingent with a private contract security staff?

Answer: While it would be possible to augment the present U.S. Park Police staff at the Kennedy Center with private security guards, the real need is an increase in the number of police officers skilled in all phases of law enforcement, including but not limited to: traffic control, investigation, emergency medical response, undercover work, etcetera. Private security guards lack this expertise, as well as police legal training.

U.S. PARK POLICE
FUNDS REQUESTED IN SUPPLEMENTAL

Question: Provide a detailed breakdown of the $2,411,000 requested in the supplemental.

Answer: The following table provides the three major categories, other than Law and Order offset funding, and their respective dollar allocations within the 1987 Supplemental Request.

(Dollars In Thousands)

Classes for 48 Recruits	$1,203
Summer Auxiliaries	143
Equipment	1,065
Total	2,411

Recruit Classes

During 1987, we propose three recruit classes, with projected appointment dates in March, (which was provided for in the 1987 Appropriations Bill), June, and August (which are included in the proposed 1987 supplemental). Included in the supplemental request are the salary and benefits components for these classes as well as their related training and equipment expenses. Additionally, we propose to hire two recruit classes early in 1988 (included as part of the 1988 request). In order to meet these targets our recruiting cycle requires testing, physical examinations, a "Full-Field" background investigation, and an oral interview, all of which must be completed prior to appointment. Funds to provide for these "up-front" costs are also programmed into the request.

Summer Auxiliaries

As outlined previously, we intend to make maximum use of seasonal auxiliary personnel. Within the supplemental request are provisions for approximately 60 auxiliaries who will be deployed within the National Capital Region area of operations.

Fiscal Year 1987 Equipment Program

Vehicle Replacement	$597,000
Uniforms and Related Equipment	176,000
Radio Communications System	292,000
Total	1,065,000

Equipment

Within the 1987 Supplemental Request three major categories of equipment encompass the request, as summarized and detailed below:

Vehicle Replacement

The force procures its sedans (the primary patrol vehicle) through the General Services Administration. Each year, based on an analysis of the fleet condition, we must replace 34, or approximately one third, of our sedans.

Other types of vehicles in the fleet, i.e., vans, patrol wagons, etcetera, are in similar dire need of replacement. In order to obtain the needed replacements prior to the necessity of spending large dollar amounts to refurbish or repair the existing vehicles, we must take immediate procurement action.

Vehicle Replacement Program 1987

Cruisers (sedan)	$372,000
Other types, including: pickup trucks, station wagons, vans, and patrol wagons	225,000
Subtotal	597,000

Uniforms and Related Equipment

The current stock level and condition of uniform items being used are both unacceptable. Items needed include uniform shirts, trousers, shoes, and other related equipment. In particular, funds are needed to begin a phased-in replacement of the previously issued bulletproof vests which have been in service for a period of time in excess of their rated service life.

Uniform Replacement Program 1987

Restock and Reissue Uniforms	$116,000
Replace Bulletproof Vests	60,000
Subtotal	176,000

Radio Communications System

Police officers assigned to the Washington metropolitan area patrol parkways, roadways, memorials, and parks on a 24-hour basis, 7 days-a-week. The major link between these officers, co-workers, supervisors, and the dispatcher is the force radio system. The radio system experiences a constant usage with many transmissions being of an emergency nature involving the police officer and the park visitor. Portions of the present radio system are outdated and experience a high failure rate. Due to the age of the equipment, it is not cost effective to attempt to make repairs in most instances. For the officer and the park visitor safety, it is necessary to replace and/or upgrade certain receivers, antennas, repeaters, base stations and portable radios.

In 1984, we began the issuance of a portable radio to each uniformed officer as a safety and economy measure. In 1985 and 1986, the force was compelled through monetary constraints to abandon the program. Further, replacement of existing equipment was cancelled. As a result, we now have over 100 portable radios that were purchased in 1969 through 1975 that are outdated and cannot be repaired. A substantial number of those that remain in

service are rapidly approaching their projected service life expectancy.

Further evaluation of the present communication system has identified that the present mobile radios in a number of force cruisers are in failure mode, and that this equipment is outdated and cannot provide sufficient wattage to reach satellite receiver sites as they currently exist.

Only by completing the individual issuance of portable radios, replacement of mobile radios, and fixed station upgrades and replacements, can we be assured of maintaining a reliable communications system.

Radio Communications System Purchase Program

Replace Portable Radios, 120 each	$145,000
Replace Cruiser Mobile Radios, 70 each	60,000
Portable Radios (new officers)	87,000
Subtotal	292,000

VISITOR PROTECTION AND SAFETY FUNDING

Question: One concern we have is the focusing of all the Service's visitor protection and safety funding in the USPP. How many units are serviced by the USPP versus non-USPP Law Enforcement Rangers?

Answer: Of the 338 units of the National Park System the U.S. Park Police are the park law enforcement division in 32. These units are located in the National Capital Region, the Golden Gate National Recreation Area, and the Gateway National Recreation Area. Based on a raw unit count, the Park Police provide services to 9 percent of the National Park Service units. However, if the same comparison is done based on relative visitation figures our Park Police provide law enforcement and visitor protection to 25 percent of all park visitors nationwide.

Question: How can it be that all of the increase is budgeted for the USPP and none for these other units--does an analysis of crime statistics support that priority?

Answer: Analysis of our crime statistics does support directing substantial additional resources to the Park Police. As the following table of data on offenses shows, the Park Police, as stated previously, patrol only approximately 11 percent of the total parks in the Nation, and are allocated less than 30 percent of the visitor protections resources, but handle a much higher percentage of offenses.

The following statistics reflect data as reported by the National Park Service for calendar year 1985, the last year for which complete data is available. Shown are the total number of offenses of a particular classification as reported by the Service, the number handled by officers of the U.S. Park Police, and this number expressed as a percentage.

Offense	NPS Total	USPP Portion	USPP Percentage
Part I			
Homicide	19	7	37
Rape	70	34	49
Robbery	309	208	67
Assault	483	322	67
Burglary	892	124	14
Larceny	5,147	1,431	28
Vehicle Theft	235	139	59
Part II			
Assault on a Federal Officer	47	32	68
Drugs	4,751	2,902	61
Vandalism	5,524	910	16
Disorderly	2,961	2,626	89
Traffic Moving	79,811	45,866	57

Question: If funds were to be allocated proportionally, how much would go to USPP and non-USPP Protective Services?

Answer: The Service has no basis for developing a proportional allocation of funding for United States Park Police (USPP) and non-USPP Protective Services. A review of number of areas served, current budgets and/or crime statistics provides at best an incomplete picture of the relative law enforcement needs of the various units of the National Park System. The proposed increase for the United States Park Police is based on an analysis of force strength as compared to growing workload requirements in the Washington, D. C., metropolitan area, and at Gateway and Golden Gate National Recreation Areas. For 1988 this proposal is the highest law enforcement priority of the National Park Service.

MAINTENANCE

Question: Several years ago, the Committee proposed revisions to the allocation system for cyclic, and other, maintenance programs. What changes has the Service implemented as a result?

Answer: As a result of acknowledged deficiencies in the Service's definition and management of the Cyclic Maintenance Program, the Park Service has recently issued draft budget guidelines that include required procedures and criteria for the development and execution of the program.The Service continues to closely monitor the cyclic and other maintenance programs and the amounts requested in the 1987 and 1988 budgets clearly reflect a more accurate distribution of funds within these programs.

Question: How have those changes improved the allocation, both between regions and within regions?

Answer: Steps taken to date have not affected the allocation of funds between Regions. Within Regions, the issuance of draft guidelines on required procedures and program criteria, together with closer monitoring of program formulation, have

helped ensure that available cyclic maintenance funds are being allocated to the highest priority projects that meet the required criteria. The same improvements apply to the Regionwide Repair and Rehabilitation program.

Question: How much maintenance money has been shifted into individual park base funding?

Answer: There has been no appreciable shift in maintenance funds from the Regional bases to the individual parks. While the overall totals for the cyclic and repair and rehabilitation programs have fluctuated somewhat due to a more accurate categorization of projects since 1986, the shifts have been primarily between the maintenance programs within a particular Region and not between the Regions and the parks. The Service remains committed to the position that the allocation and control at the Regional level is the most effective means to ensure that funds are dedicated to appropriate types of maintenance activity and that the highest priority projects are completed.

MAINTENANCE MANAGEMENT

Question: Please provide a statement for the record detailing progress, and problems, to date implementing the Maintenance Management system (P. 63).

Answer: For many years, National Park Service (NPS) maintenance managers have recognized the need for a formal, systematized methodology for managing the Service's maintenance operations more efficiently and cost-effectively. In recent years progress has been made toward this goal through the use of pilot Maintenance Management programs in several park areas.

Additionally, in 1984 the Congress mandated implementation Servicewide of a system for National Park Service maintenance management with the enactment section 4(a) of Public Law 98-540 (16 USC 1a-8). The requirements for the system components as prescribed in that law are the same as had been earlier set out and described in the GAO Report (GAO/RCED-84-107; June 1, 1984) entitled "National Park Service Needs A Maintenance Management System."

In response to this requirement and the Service's desire to implement maintenance management, two contracts have been awarded for maintenance management implementation. One was awarded for the National Capital Region in September 1985.

A Servicewide contract for the other nine Regions was awarded on June 18, 1986, to DeLeuw, Cather and Company of Gaithersburg, Maryland, for design, development and implementation of NPS maintenance management over a 3-year period.

The Servicewide contract amount is $4,598,500; of that amount $2,274,947 is cost-plus-fixed-fee. The contract provides for the design and development of the maintenance management process and for computer software, preparation of field instructions and handbooks, design of planning guidelines, management reports and

work order forms and preparation of training materials and initial training sessions.

The developmental portion was completed in December 1986. Documentation, field manuals and software testing are underway. Regional training for park area Chiefs of Maintenance and Maintenance Management Coordinators will begin in March 1987. This will be a general presentation of the maintenance management concepts to Regional personnel and park superintendents.

The fixed price portion of the contract provides for individual park area implementation throughout park areas in the nine Regions (excluding National Capital Region). In general, this provides for 1 to 4 months of effort extending over a period of 4 to 8 months in each park area for initial training and implementation. General oversight assistance as needed will be provided over a 1-year time period, and a final report will be given to each park superintendent at the end of that time.

At each park area, the individual components of maintenance management will be tailored to the needs of the maintenance manager. This will include developing an inventory of all park assets, identifying all work required to maintain these assets and resources available for performing the work, developing an annual schedule and work plan and the development of a reporting system for tracking actual work performed.

This process will enable the maintenance managers and park superintendents to identify needs for maintenance of park physical assets rather than merely plan for the work they have been able to accomplish in previous years. It also allows management to develop the most efficient organization and the most efficient work plan through analyzing current work methods, materials and personnel, developing performance guidelines and reviewing work accomplished.

Although the individual components are tailored for each park area, they will conform to the basic format and structure of the system's components for Servicewide uniformity.

The National Park Service Engineering and Safety Services Division has been assigned lead responsibility for successful implementation of maintenance management. Regions and parks have identified key individuals and have assigned Maintenance Management Coordinators to assist in the successful implementation.

MAINTENANCE MANAGEMENT--NATIONAL CAPITAL REGION

Question: Provide specific examples from the National Capital Region concerning what types of impacts such a system will produce.

Answer: The National Capital Region has contracted with Roy Jorgensen and Company to implement maintenance management at seven park areas including the pilot project completed at Rock Creek Parkway. Implementation is underway at the remaining six park areas and is scheduled for completion between June 1987 and April 1988. The six park areas are: George Washington Memorial

Parkway, National Capital Parks-East, Catoctin Mountain Park, Harpers Ferry National Historical Park, National Capital Parks-Central, and President's Park. The remaining six park areas are scheduled to begin during 1987. Experience to date has already shown numerous improvements.

At Rock Creek, where the pilot project is completed, the restructure of park maintenance functions resulted in a more efficient organization. By replacing and consolidating the mowing operations, substantial resources were made available to accomplish the backlogged maintenance work such as trail maintenance. At both the George Washington Memorial Parkway and the Baltimore-Washington Parkway planning has improved so that the maintenance crews are better prepared to respond to routine and emergency needs. This proved helpful in respondence to the recent back-to-back heavy snowfalls.

The National Capital Region has also implemented special procedures for handling certain cultural resources; for example, fountains, pools, statuary and historic structures. Special computer software has been prepared for use at the John F. Kennedy Center and the Filene Center at Wolf Trap Farm Park.

DELAWARE WATER GAP NATIONAL RECREATION AREA

Question: What is the progress to date addressing or correcting dam safety problems at Delaware Water Gap NRA?

Answer: The park is currently coordinating efforts with the Bureau of Reclamation in providing the park with an intermediate Inspection Safety Evaluation of Existing Dams (SEED) Report. The park will review the report and implement the recommendations to correct the safety situations on the dams. Based on the corrective actions selected from the report, the park will develop a Memorandum of Agreement with the Department of Agriculture, Soils Conservation Service to provide the necessary design assistance. Once the plans and specifications are prepared, the park will contract to rehabilitate the dams. It is anticipated that all contracts and documents (plans and specifications) will be received and issued by the end of the fiscal year.

SAFETY OF DAMS

Question: Is the Service fully able to keep up the necessary level of dam safety activities in order to protect park visitors and resources from unsafe dams?

Answer: Since 1980, the Service has been carefully inventorying dams that might affect park visitors or resources, and considerable progress has been made protecting visitors and natural resources. Since 1980, 69 dams have been corrected and 140 corrective actions initiated. It is expected that this level of responsiveness will continue. The Service has plans underway during 1987 to begin corrective action on 91 of the 103 dams that were classified as seriously deficient during June 1986. In addition, the Service has prepared and maintains 19 complete emergency action plans and will be working during 1987 to

prepare or finish 95 outstanding emergency action plans that are either missing or incomplete. Several of these dams are non-Service owned and controlled either by other Federal agencies or States. The Service is coordinating closely with these agencies.

GREAT BASIN NATIONAL PARK

Question: How near is the closest existing unit to the new Great Basin National Park?

Answer: Mileages from Great Basin National Park to nearby National Park Service areas are summarized below:

Area	Miles
Bryce Canyon National Park	188
Death Valley National Monument	373
Lake Mead National Recreation Area	309
Timpanogos Cave National Monument	216
Zion National Park/Cedar Breaks National Monument	202

Mileages are from park headquarters to park headquarters.

Question: Please discuss the need for all the new equipment listed on pages 65 and 66 and the potential of sharing some of the needed equipment until additional funding is available.

Answer: The following equipment is required at Great Basin National Park:

4-Wheel Drive Cargo Utility Vehicle: This vehicle will be used by the Chief of Maintenance to travel between worksites, for transporting materials from town and travel away from the park.

3/4-Ton Utility Truck (2-wheel drive): This vehicle will be used by various members of the Maintenance Division to transport materials and personnel to job sites throughout the park.

Dump Truck (10-yard capacity): This diesel engine truck will be used to transport construction materials such as dirt, sand and gravel to job sites throughout the park for various repair and rehabilitation work; to tow the loader/backhoe to job sites throughout the park and to push a 10-foot snow plow to remove snow and ice from park roads during the winter.

Snow Plow (10-foot): This plow, with remote, hydraulic pivot capability will be needed by the Roads and Trails Division and will be mounted on the dump truck for snow removal operations on paved roads to the visitor center and Lower Lehman Creek Campground.

Backhoe Attachment for Loader: The backhoe attachment for the existing Ford diesel loader will be needed for excavation/repair of utility lines, road drainage

structure cleaning and other work throughout the park requiring excavation of materials in the extremely hard, rocky, soils of the area.

Motor Grader (27,000 pounds): This motor grader with 12-foot blade with hydraulic sideshift and tip, front, V-type scarifier and circle drive slip clutch will be needed to maintain the system of paved and graded gravel and dirt roads.

Towed Rock Rake: This rock rake will be used for removal of cobbles over 2 inches in diameter from graded road surfaces after grading and will provide the Roads and Trails Division with the ability to produce a finished driving surface on all gravel and dirt roads.

Tilt Top Trailer: This trailer capable of carrying the loader/backhoe will be necessary to transport that equipment to job sites throughout the park and to retrieve disabled park vehicles or carry heavy freight and equipment.

Trailer-mounted Trash Compactors (3): Units will not be needed if a garbage hauling contract can be secured with a local firm. Two 7- to 8-cubic yard trash compactors will be required to replace existing units currently stationed at the park boundary by the National Forest Service for use by the visiting public. A third unit of the same size or larger will be needed to provide trash removal from the visitor center/concession operation and the housing area. The third unit could possibly be a truck-mounted unit with bin hoist capability which would allow use of portable bins instead of trailer-mounted units at the park boundary. This equipment will be needed until such time as the park is able to secure a contract for solid waste removal with a private company.

Fire Pumper: 750-gallon, 1,000 GPM, diesel-engine unit is needed to provide adequate water pressure and volume to fight structural fires within the park and for use as a large capacity tanker/pumper for wildland fire suppression. The possibility of acquiring a surplus pumper from Yosemite National Park is being explored. Rehabilitation funding will be needed if successful.

Generator (3KW): Unit will be needed to provide electric power at remote work sites and for interpretive activities throughout the park.

Sharing road equipment with Death Valley was considered as an option. However, Death Valley expressed serious reservation about having their road equipment away from the monument during the summer--the time of the most frequent flash floods. The National Park Service will continue to explore the option of obtaining some of this equipment as surplus.

Question: What is the breakdown of cost estimated on page 66?

Answer: The cost breakdown is as follows:

4-Wheel Drive Cargo Utility Vehicle	$13,000
3/4-Ton Utility Truck	12,000
Dump Truck (10-yard capacity)	50,000
Snow Plow (10 feet)	10,000
Backhoe Attachment for Loader	10,000
Motor Grader (27,000 pounds)	125,000
Towed Rock Rake	3,000
Tilt Top Trailer	15,000
Trailer Mounted Trash Compactors (3)	26,000
Fire Pumper	65,000
Planner	1,200
Generator (3KW)	700
Total	330,900

RESOURCES MANAGEMENT
HALEAKALA NATIONAL PARK

Question: For Haleakala National Park, please provide an estimate of additional time and costs needed to complete the fencing of the Park, and then an outline of activities, costs and timeline for projects needed to be conducted within the enclosed area.

Answer: With the $360,000 in funding received from the fiscal year 1987 National Resource Preservation Program, the Kuiki ecosystem fencing will be completed. Also, in 1987, $500,000 was added to the line item Construction Program for fencing the Kipahulu District. These two projects will finalize the current fencing needs for Haleakala. All fencing will be completely installed by December 1988.

Once feral animal movements are controlled through the construction of barrier fences, effective removal efforts may begin. In addition, fences must be continually maintained to ensure the integrity of the feral animal control program. Also, while feral animal populations are being controlled, park personnel must begin the restoration of the native ecosystem by controlling and removing the most noxious alien plants. Where appropriate, reintroduction of native species may occur. Without an alien plant control crew, the effectiveness of the feral animal control program will be greatly diminished.

To complete these activities, the following is required:

	Dollars	FTE
Park Ranger, GS-5	40,000	2.8
Laborers, WG-3	167,000	8.4
Benefits	23,000	--
Support Costs (tools, equipment, vehicles, supplies)	139,000	--
Total	369,000	11.2

Question: What is the Service's plan and timetable for completing that work?

Answer: Work pertaining to the fencing at Haleakala National Park remains a high priority for the Service. Although there is no timetable for funding the additional requirements necessary for ecosystem restoration, the Service will continue to assign this important work a high priority in future years.

ARTIFACTS CATALOG

Question: Where is the report assessing the need for aggressively cataloging and recording the artifacts in care of the Service?

Answer: The report has been completed and should be transmitted to Congress in the very near future.

CULTURAL RESOURCES

Question: A recent newspaper report alleged poor curatorial accomplishments of the Service. Would you review the status of that program for the record?

Answer: The National Park Service has over 25 million cultural and natural history objects in parks. Approximately 12 percent of these objects have catalog records to establish property accountability. A 1985 audit by the Inspector General confirmed extensive Servicewide deficiencies in storage, security, fire protection, cataloging and periodic inventory procedures. This audit report was cited in the recent newspaper report to which the question refers.

In a drive begun with the appointment of a Chief Curator in 1980, the Service has laid out a long-range program to bring about full accountability for and sound management of its collections. In 1984, Servicewide goals were established and a strategy developed for their achievement. In 1984 and 1985, a revised manual was issued to improve accountability procedures and increase the cataloging rate. Since 1980, the annual cataloging rate has increased over 200 percent and is likely to increase further with computerization in 1987. To eliminate the growth in the backlog of uncataloged archeological collections, high priority has been given to a policy that specifically requires archeological project costs to include cataloging and storage for artifacts resulting from those projects. In 1986, parks established target dates and programming requirements for cataloging the backlog of 22.6 million objects. At the current level of funding, the backlog will be fully cataloged in 30 years.

In 1986, the National Park Service required all parks to assess storage, exhibit and environmental conditions; security; and fire protection for collections. Approximately 70 years will be required, at current funding levels, to correct the deficiencies identified in that assessment. A collection management planning system is in place to guide parks in the care of collections, but the production rate of these plans (20 annually) does not begin to meet the demand.

In response to a special call, in 1986 all parks completed Scope of Collection Statements, defining and limiting what parks will collect. To facilitate disposal of unneeded museum property, a proposed amendment to the Museum Act of 1955 was submitted to OMB for consideration for the 99th Congress and is being resubmitted for the 100th Congress.

The challenge facing the Service is how to continue to improve in this area by establishing cultural resource preservation priorities in competition with other priorities. The focus of activities in the Service will be:

To continue streamlining and automating procedures, improving cost estimates and refining criteria for allocating funds to ensure that museum collection management needs are adequately considered.

To establish realistic priorities so that the most important work can be targeted for early completion.

To expand, to the extent possible given competing priorities, the use of such funding sources as Regionwide cultural cyclic maintenance funds, park base dollars, and the enhanced park operations funds related to the recreation fee initiative.

The steps taken since 1980 and planned for the years to come establish a solid framework for managing and protecting the museum collections of the National Park Service. A detailed plan for these collections was requested by the 1987 Appropriations Act. A copy of that plan will be submitted under separate cover to the Committee.

Question: How are the cultural resources distributed?

Answer: The proposed Cultural Resources Management budget of $46,507,000 is distributed in the following manner:

(Dollars in thousands)

Activity	Budget	Percent of Budget
Parks - routine preservation maintenance, program planning, and resource management activities	$24,085	52.0
Regional Offices and Cultural Resources Centers - program coordination and support, resource basic inventory work, and cyclic preservation maintenance	6,052	13.0
Washington Headquarters Office - program development, coordination, and direction	1,260	2.7

(Dollars in thousands)

Activity	Budget	Percent of Budget
Regionwide Cultural Cyclic Maintenance and Preservation - projects such as museum collection maintenance, reflooring, repainting, archeological site stabilization, repair and cleaning of statues, etcetera.	7,539	16.0
Cultural Resources Preservation Program - preservation work, archeological surveys, management studies, object cataloging, and other activities	6,238	13.4
Federal Employment Retirement	1,333	2.9
Total	46,507	100.0

Question: Can you provide a sampling of projects (and costs) that were funded in 1986 and another sample of projects not funded?

Answer: In order to provide a sampling of the most recent projects, the following were selected from our fiscal year 1987 list:

(Dollars in Thousands)

Project	Total Funding Beginning 1987	Project Years
Inventory the archeological resources at Mammoth Cave National Park	$250	3
Prepare an Historic Structure Report for the Theodore Roosevelt House, Sagamore Hill National Historic Site	29	1
Install environmental controls in the Adams Library, Adams National Historic Site	65	2
Emergency stabilization of the historic ship Thayer involving the repair and replacement of deteriorated structural members	250	1
Preservation of historic photos and cataloging of museum objects at Thomas Edison National Historic Site	120	3
Stabilization of historic structures at Maggie Walker National Historic Site	170	2
Cultural Resources Inventory of Cape Krusenstern National Monument, Alaska	410	3
Complete Historic Resource Studies at Yosemite National Park and Saguaro National Monument	35	1

(Dollars in Thousands)

Project	Total Funding Beginning 1987	Project Years
Regionwide program for cataloging museum objects at various parks, Western Region	146	1
Conserve park museum objects, National Capital Region	160	3
Total	1,635	

Based on the current funding level for 1987 of $5,613,000, the Service has developed a 3-year priority list of projects to be funded from this annual amount. The following is a sample of projects not funded under the 3-year program.

(Dollars in Thousands)

Project	Total Funding	Project Years
Prepare Museum Collection Management Plans for Alaska parks	$70	2
Study and stabilize structures at Gettysburg National Military Park	130	3
Provide for museum object storage at Hopewell Furnace National Historic Site	90	3
Prepare an Historic Resource Study for Pipestone National Monument	45	2
Establish accountability for park archives at Jefferson National Expansion Memorial National Historic Site	45	2
Cultural Resource Inventory of Loudoun Heights, Harpers Ferry National Historical Park	250	3
Repair Statuary, National Capital Region (Central)	300	3
Prepare an Historic Resource Study, Women's Rights National Historical Park	50	1
Structural repairs, William Floyd House, Fire Island National Seashore	60	1
Conserve site museum collection, Adams National Historic Site	51	2
Stabilize Coach House, Vanderbilt Mansion National Historic Site	140	2
Protection of threatened archeological sites, Canyon De Chelly National Monument	375	3
Total	1,606	

In addition, the 1988 budget contains $7.6 million for Regional cultural cyclic maintenance work to be used for projects such as museum collection maintenance and conservation; reflooring, reroofing, and repainting of historic structures; archeological site stabilization and erosion control; repair and cleaning of statues; and maintenance of historic landscapes. Project funding

needs indicated by the Regions are about three times the proposed funding level.

REVISION OF NATIONAL PARK SERVICE MANAGEMENT POLICIES

Question: We understand that the Service is proposing revisions of its manual concerning topics such as impairment and park unit classification. What is the status of that redraft?

Answer: The Service is currently engaged in a revision and update of its Management Policies, which have not been extensively reviewed since 1978. We have completed, in cooperation with the office of the Assistant Secretary, a draft of chapter I, which sets forth the general management philosophy of the Service. We currently have three chapters, LAND PROTECTION, CONCESSIONS, and PLANNING, on Washington Office and field (Regions and parks) review, and anticipate circulation of the chapter on USE OF THE PARKS by mid-March. It is our intent to initiate one or two chapters each month until the entire manual, as it exists, has been completed.

The Service recently published a brochure entitled PARKS, ETC. explaining park designations and how sites are managed. We are aware that unit classification is a prerogative of the Congress. We are in the process of drafting recommendations regarding some of our historic sites in order to create more uniformity of like areas in the System. These recommendations will be reviewed in the Department and submitted for congressional action.

Question: Is the Service proposing significant revisions or is the Assistant Secretary's Office proposing significant revisions?

Answer: The Service is proposing no significant revisions to the Management Policies. The purpose of this review and revision is to bring National Park Service Management Policies up to date with current laws, regulations and practices and to make it a more comprehensive tool for the management of the National Park System. In carrying out this activity, we are working closely with the office of the Assistant Secretary as well as our Regional and field staff. To date, revisions proposed by the Assistant Secretary's Office regarding chapter 1 have been discussed and agreed to by both parties.

Question: What is the foundation in law, regulation, and policy for striking the appropriate balance between "preserving" and "preserving unimpaired" and preserving for recreational use?

Answer: The Act of 1916 which established the National Park mandated that the purpose of the Service "...is to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations (U.S.C., title 16, section 1). Thirty-six CFR, parts 1 and 2 delineate general regulations which "will be utilized to fulfill the statutory purposes of the National Park System...". (36 CFR, 1.1(b) The draft chapter 1 of the Management Policies discusses in some detail the mandate to maintain a balance between preservation and use. On page 7, we

state that all units of the National Park System have a common mandate in the 1916 Organic Act, as stated above. We go on to discuss the meaning of "unimpaired" on page 9 and state that "In order to fulfill our mandated purpose(s), we are willing to accept modest, short-term effects, but we will not cross over into long-term degradation."

The foundation for preserving for recreational use will be found in park specific laws and regulations. For example, Public Law 89-195, section 1 states "That for the purpose of protecting and developing Assateague Island in the States of Maryland and Virginia and certain adjacent waters and small marsh islands for public outdoor recreation use and enjoyment, the Assateague Island National Seashore...shall be established...." Section 5 of the Act further states that "The Secretary shall permit hunting and fishing on land and waters under his control within the seashore in accordance with the appropriate State laws, to the extent applicable..." Thirty-six CFR, part 7.65 details specific regulations regarding activity on Assateague Island National Seashore. The draft Chapter 1 of the Management Policies, page 6, paragraph 2 states that with regard to managing an area, "The superintendent or manager of a unit of the National Park System will first look to the proclamations, law(s) or order(s) creating the unit."

Question: Are there single dimension units in the System, i.e., created only for natural, historic, or recreational purposes?

Answer: While many areas of the National Park System carry titles that imply a single dimension--National Recreation Area, National Historic Site, National Battlefield, etc.--all areas of the System are bound by several broad legal mandates, and so are managed on a multi-dimensional level. The Antiquities Act of 1906 (Public Law 209), the National Historic Preservation Act of 1966 (Public Law 89-665), the Endangered Species Act of 1973 (Public Law 93-205), are examples of the many Systemwide legal mandates which, along with the Organic Act of 1916, and the park's enabling legislation, help to define the role of the National Park Service in the management of a given area.

Question: Please provide for the record a copy of all intra-departmental correspondence to and from the Service in the past 2 years addressing any or all of these issues.

Answer: Copies of correspondence relative to the revision of the policy manual follow:

February 18, 1986

Memorandum

To: Director, National Park Service

From: Assistant Secretary for Fish, Wildlife, and Parks

Subject: Revision of Management Policies

I fully support your initiative to revise Management Policies as part of the Action Plan to implement your 12-Point Plan. Such a revision is long overdue.

As Management Policies is the major policy document for the National Park Service, the revision is of interest to the Secretary as well as to myself. Consequently, this activity should be placed in the MBO system as a Priority I item.

I believe the new Management Policies should be a much shorter document than the present version. It should set out the basic policy direction of NPS. This direction should then be elaborated in more detailed documents. These documents in turn translate policy direction into management direction for specific categories of system units; e.g. natural, cultural, and recreational. Experience has shown that a major shortcoming of the existing Management Policies is its failure to distinguish between types of units for management purposes.

The revised Management Policies should be done by a small working group made up of members of my staff and you and your immediate staff. It should be accomplished by May 1, 1986.

The revision should be guided by the following principles:

Resource protection and providing for visitor use and enjoyment are co-equal mandates, as the Secretary has noted our mandate is to conserve resources for the benefit of people as opposed to protect resources from people;

Park management must reflect the fact that we are to serve the general public as opposed to narrowly focused groups: and

Management of individual units is first guided by unit specific legislation or proclamation and then by the Organic Act as amended.

Please prepare a draft MBO with interim accomplishments for discussion at the March 3, 1986 MBO meeting.

FEB 24 1986

Memorandum

To: Assistant Secretary for Fish and Wildlife and Parks

From: Acting Director

Subject: Revision of the Park Service "Management Policies" and the Management of Park Areas by Category

This responds to your February 18, 1986, memorandum regarding proposed updating of the National Park Service "Management Policies."

We will, as you requested, develop an MBO on the "Management Policies" in time for the March MBO meeting. However, we do want to share with you several concerns about the scope and content of that undertaking.

Several months ago we canvassed the Regions to determine Servicewide sentiment about the need for revision of the "Management Policies" document. As you know, it has not been changed since 1978. There was essentially unanimous agreement that the "Management Policies" did not require major or extensive revision or change. Several sections, notably the one on concessions, have been changed in substantial part and ought to be included in a new document. Several topics, such as air quality and Native American policies, need to be incorporated. But there was really no sense the document needed major or extensive overhaul. The present "Management Policies" document has served the Service very well, and we do not believe any useful management need would be met by significant change or revision, either as to style or content.

Any changes in the "Management Policies" will require formal notice in the Federal Register and public involvement. Even changes in style or format will likely be perceived as having significance and will generate controversial reactions from the conservation community and others. Any major revisions would have the effect of re-opening in a high profile forum issues and topics that are, in fact, matters of long-settled policy. We see no real benefit from such a possibility.

We recommend a much more limited and targeted approach to an updating of the document. We would add materials on several topics not covered at all and we would insert the new concessions policies in lieu of the present materials. The balance of the document would be reviewed for editorial clarity and completeness. I am confident we can deal with the three specific subjects cited in your memorandum within that context.

Regarding your suggestion that the "Management Policies" be redirected to distinguish between types of National Park System units: we strongly oppose such an approach. It would be "going backwards" in terms of NPS management style; it would be very controversial on The Hill; and it would be confusing and counterproductive among NPS managers and professional staffs.

Perhaps the following background will help explain our views.

In 1964 then Secretary Stewart Udall endorsed a plan to define three classes of National Park System areas--natural, historical, and recreational, with accompanying "principles" to guide the management of each category. NPS then developed a series of management guidelines spelling out in more detail how each category was to be managed.

The management categories were used for several years, but by the mid-1970's they had fallen on bad times and were, first informally, then formally, abandoned.

As Assistant Secretary Ray Arnett explained in a letter written in late 1981, "Congress never fully accepted the idea of the three categories." He went on to explain that: "...doing away with the three separate policy books...was logical since over two-thirds of the policies were common to all books..."

The problems with Congress stemmed from the fact that while areas are given a single title (such as Cape Cod National Seashore), the reasons for their inclusion in the National Park System normally reflect more than one set of resource values. In Cape Cod's case, for example, Congress vigorously objected to inclusion of that park in the recreation category, arguing that the primary reason it was in the System was for its natural values. Indiana Dunes was similarly controversial, along with Cape Hatteras and several of the reservoir-based recreation areas.

The titles assigned by Congress to park areas often have more to do with the prestige of areas named "National Parks" than specific management expectations--the issue of public hunting being a notable and important exception. Congress has gone to some length to maintain the concept that there is no hunting in National Parks--and Congress has invented the term "Preserve" to be a National-Park-cum-hunting (and occasionally other consumptive uses, such as mining.)

The titles of park system areas do not necessarily capture its principal resource character, especially for sites labeled "monuments."

Today there are 17 separate titles assigned to park units, not counting a number that include more than one category in the title and several one-of-a-kind units.

Titles also change, especially as Congress "upgrades" older "Monuments" to "National Parks." This has included: Grand Canyon; Carlsbad, Arches, Olympic, Grand Teton, and several Alaska areas.

Congress made it expressly clear in the Act for Administration (16 U.S.C. §1c) that all units of the National Park System are equally protected by law without regard to the various titles by which Congress has chosen to name them.

National Park Service planning policies and practices do provide for the identification of four land classification "zones"--natural, historic, park development, and special use. These categories, all related to specific resources within a park complex, meet the needs of management decision making in a much more sophisticated manner than parkwide classes associated with unit titles.

The art and practice of park administration has become much more sensitive to multiple resource values in the last ten to fifteen years. Our planning seeks to be as sensitive to natural values in units called recreation areas as we are to the recreational resources themselves. NPS sensitivity to cultural resource values is a major management thrust in all parks, not just those having an "historical" label.

Units of the National Park System are complex mixtures of values, to which single dimensional classification schemes and management principles have great trouble fitting. The re-introduction of the classification-management patterns of the 1960's would be very controversial externally, and of low utility internally, as it ultimately was in the mid-1970's when it was abandoned.

We, therefore, oppose any shift back to the category approach in management or policy application. If there are specific policy topics or issues that need to be dealt with, we can address those needs on a subject-matter basis.

If we need to elaborate on or expand on any of these matters, please let me know.

Denis P. Galvin

A40(G22)

MAY 15 1986

Memorandum

To: Assistant Secretary for Fish and Wildlife and Parks

From: Deputy Director, National Park Service

Subject: MBO on Updating the NPS "Management Policies"

This is a follow-up to the discussion which we had last week at the regular monthly MBO meeting. In that discussion, we mentioned that we now had in draft the text of a new publication explaining the significance of the titles given to units of the National Park System and how management decisions are structured in relation to those classifications.

You will see from this draft that units of the National Park System bear some 20 separate titles, with very inconsistent application in all categories. Titles or other classifications assigned on a parkwide basis have no useful relationship to management policy or practice. Though NPS tried to fashion management policies around a three-category classification system in the 1960's, that system proved both controversial and cumbersome. In the end it was abandoned as unworkable.

The general texture of these events can be summarized by extracts from Judge Jackson's decision in February 1986 relating to the National Rifle Association suit regarding hunting and trapping:

> In the 1960's, in recognition of the heterogeneous character of the territories it was now overseeing, the Park Service evolved on its own a concept of "management categories" as a means of differentiating the administration required for them...
>
> Two subsequent amendments to the Organic Act, however, caused the Park Service to doubt the extent of its autonomy in the matter...
>
> Perceiving in these amendments an implied reproof for having strayed from the true purpose of the Organic Act (and specifically, for its "management categories" system), NPS concluded that Congress conceived of the park system as an integrated whole...
>
> Shortly thereafter NPS began the task of revising its regulations to bring them into harmony with the revealed congressional will by abandoning the "management categories."

We believe restoration of the management-by-category approach would be inconsistent with the intent of Congress.

In our discussion we mentioned Chapter 1 of the "Management Policies," which was mistakenly characterized as a general summary of the policy book. Actually, Chapter 1 is not a summary; it covers the general qualifying criteria for units of the National Park System. (A copy of the Management Policies is attached.) The closest parallel to the subject of our discussion is the reference in Chapter 2 to the management zoning scheme--the process that is the conceptual successor to the 3-category management scheme. Management zones will, of course, receive appropriate coverage in an updating of the policy book.

Perhaps the new publication will meet the need you identified. Perhaps all or some of its substance could be included in the revision.

I do need to reiterate, however, that for powerful legal and policy reasons, it is not appropriate for the Service to go back to the system used in the 1960's. Any attempt to do so would be needlessly controversial and very confusing to NPS managers at all levels.

We are now receiving new draft materials for the redrafting work. We still expect to have a working draft of the new document by July. We should meet on the subject at the earliest opportunity to resolve any outstanding differences.

Denis P. Galvin

NATIONAL PARKS, MONUMENTS, AND OTHER PLACES

The Significance of Their Names and How They are Managed

This publication is an outgrowth of questions asked by visitors and others about the significance and meaning of the titles given to units of the National Park System and how those titles may relate to the way in which the unit is managed, what visitors can do there, or what legal or administrative protections are afforded to the resource by the National Park Service. Are all National Parks equal? What is the difference between a National Park and a National Monument? Are National Historic Sites all managed by the Park Service?

The words "national park" have a special meaning to many people, conjuring up images of Old Faithful, Yosemite Falls, and the massive grandeur of the Grand Canyon. The term "national monument" may not bring up such clear images, and reference to a "national historic site" may suggest only that the feature is important in the history of the United States. While names may not always be perfectly descriptive, they are important, however, and much attention has been given since creation of the first National Park in 1872 to the titles given to succeeding units of the National Park System. Today, the 337 units of the National Park System share about 20 separate titles, not counting some combined titles and special areas.

The initial concept of a national park was defined by Congress in 1872 in establishing Yellowstone National Park as a "public park or pleasuring ground for the benefit and enjoyment of the people."

In 1916 Congress created the National Park Service to care for Yellowstone and other such areas that had been assigned to the Department of the Interior, ordering the new bureau

> ...to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

The National Park Service assumed responsibility for 14 national parks and 21 national monuments upon its creation. Other parks and monuments existed and continued under the Departments of Agriculture and War and the Office of Public Buildings and Public Parks of the National Capital. In 1933 the administration of most such areas was consolidated under the National Park Service, enlarging the National Park System by about 60 areas.

While the idea of a "national park" was an American invention of historic consequences, marking the beginning of a worldwide movement that has spread to more than 100 countries and some 1,200 national parks and preserves, no one originally conceived of a national park "system" that would embrace a vast array of natural and cultural (manmade) resources. The notion of a system that brings together such disparate elements as the Statue of Liberty, Yosemite National Park, Ford's Theater National Historic Site, and the battlefield and cemetery at Gettysburg is a modern concept, reflecting an expanding level of national understanding of the environment and concern for preserving artifacts and symbols of the Nation's history and culture.

The first "parklands" acquired by the Federal Government were 17 public reservations now The Mall, the Ellipse, the location of the Washington Monument, and other sites in the Nation's capital. These lands were identified in the original L'Enfant plan for Washington, D.C., and formally became part of the National Park System in 1933.

The earliest action by Congress to create a large natural park took the form of a land grant of Yosemite Valley and Mariposa Big Tree Grove to the State of California in 1864. The lands were later ceded back to the Federal Government in 1905 to become part of Yosemite National Park, which had been established in 1890. Yellowstone National Park was, however, the first area so designated and managed under federal control.

Units of the National Park System have been created in two principal ways: by acts of Congress and by presidential proclamations. When Congress creates an addition to the System, it spells out the name to be given each area or site and makes reference to the general terms under which the new area will be managed. Sometimes Congress is very specific about management terms; sometimes Congress simply refers to the Act of August 25, 1916 (often referred to as "the Organic Act"), thereby applying the management requirements of that law.

Most modern additions to the System are made by Congress, but the President has authority under the Antiquities Act of 1906 to proclaim national monuments on lands already under federal jurisdiction, and many units of the National Park System originated in that manner.

Most of the 337 units composing the National Park System in 1986 are labeled by words denoting their "national" status: national park, national monument, national historic site, national seashore, national recreation area, and so forth.

Some labels are clearly descriptive of the areas and features they represent, indicating to the public the nature of the primary resource or attraction within the area. National seashore, national lakeshore, national parkway, national battlefield, and national scenic trail all fall into this category.

Other titles assigned to units in the System are less descriptive, but still indicate the general nature or function of the area. National historic site, national memorial, and national historical park all indicate that the places contain features of historical significance or that they commemmorate some aspect of American history.

National Park

The terms national park, national monument, and national preserve are actually the least descriptive. The terms themselves convey very little about what one may expect to find at such places. In practice, "national park" has generally been assigned to the greatest natural attractions of the National Park System and for that reason it comes closer than many other titles to having its own "image" and meaning.

The term national park has not been used with consistency, however. Gettysburg battlefield was first designated a national park by Congress in 1895; and Mesa Verde, predominantly of cultural rather than natural value, became a national park in 1906.

Hot Springs National Park in Arkansas involves a natural resource (hot mineral waters), but is a smallish site in an urban area. Interestingly, Hot Springs was the Nation's first "public reservation" created from the vast public domain--almost, but not quite, a "park." Hot Springs was set aside in 1832, forty years before Yellowstone. The site was redesignated to public use as a park in 1880 and its name changed to a national park in 1921. The reasons for the latter change are obscure, but it probably related to the prestige already then associated with the title national park and the desire that it fit with other park units then existing. Other sites have started in as national monuments and have subsequently been "converted" to national parks: Zion, Grand Canyon, and Channel Islands are examples.

Titles of units of the National Park System

National Park
National Monument
National Preserve
National Lakeshore
National River
National Seashore
National Historic Site
National Memorial
National Military Park
National Batlefield Park
National Battlefield
National Battlefield Site
National Cemetery
National Historical Park
National Recreation Area
National Parkway
National Scenic Trail
National Capital Parks
White House
National Mall
Parks

The reasons for changing the name of a unit have often involved the element of prestige associated with being (or having) a national park. A change in name has sometimes also involved changes of a more substantive nature, because the concept of national park has traditionally also meant "no hunting." In fact, in recent years when Congress was considering the establishment of new "national parks" that appeared to meet all the basic characteristics normally associated with such areas--size, unique natural qualities, and superlative scenery--but in which Congress wanted to permit continued public hunting, a new category of park was created, the "national preserve," in which various uses are allowed that cannot be permitted in a national park.

To the extent there is a general understanding and working definition of a national park today, the term is meant to imply a large, spectacular natural place having a wide variety of resource attributes, often also including significant historic assets. Hunting, mining, and other resource-consumptive activities are largely prohibited.

Two areas that were originally set aside as national parks were taken out of the System entirely: Mackinac Island, which was ceded to the State of Michigan in 1895 and Sully's Hill, North Dakota, which was converted to a game preserve, under the jurisdiction of the Department of Agriculture, in 1931.

There are curently 48 national parks in the System. The largest is Wrangell-St. Elias in Alaska, proclaimed as Wrangell-St. Elias National Monument in 1978 and established by Congress as a national park in 1980. The park embraces 8.3 million acres. An adjoining national preserve (in which hunting and certain other activities are permitted) includes an additional 4.9 million acres.

National Monument

The Antiquities Act of 1906 authorized the President of the United States

> ...to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments....

Under this authority President Theodore Roosevelt proclaimed and reserved the first national monument, Devils Tower in Wyoming, in 1906. Although the legislation was focused primarily on prehistoric Indian remains and other cultural features, Devils Tower and the majority of national monuments proclaimed subsequently were predominantly natural areas. Among them were such large and spectacular areas as Grand Canyon, Katmai, and Death Valley, the first two of which were later given national park status by acts of Congress. (Long-continued mining activity in Death Valley has forestalled similar action for that area, though in other respects Death Valley would qualify as a national park.)

The creation of national monuments by presidential proclamation and the designation of national historic sites by the Secretary of the Interior on lands in federal ownership are the only means by which units of the National Park System can be created without a formal Act of Congress. The most recent exercise of the presidential authority involved designation of the Harry S Truman home in Missouri on December 8, 1982; and before that the establishment of a whole system of national monuments in Alaska in 1978. Both were later embraced in congressional legislation.

Congress has, however, also created numerous national monuments, both natural and historical, including George Washington Birthplace (Virginia) in 1930, Canyon de Chelly (Arizona) in 1931, Pipestone (Minnesota) in 1937, Custer Battlefield (Montana) in 1946, Congaree Swamp (South Carolina) in 1976, and others. The term national monument, therefore, conveys little information about the nature of the resource or its size or how it might be managed or experienced by the public.

In recent decades other labels have been preferred for historical areas, so that in modern times the title has been confined largely to natural areas that do not appear to qualify for one of the more

descriptive designations. In general, they are smaller than national parks and lack their diversity or range of attractions.

There are now 77 national monuments in the National Park System.

National Preserve

In 1974 Big Cypress (Florida) and Big Thicket (Texas) became the first of what are now a dozen national preserves. Big Cypress, a large natural area adjoining Everglades National Park, might have been incorporated in the park were it not for provisions in its legislation authorizing hunting, trapping, and possible oil and gas exploration and extraction. Big Thicket legislation contained similar authorities for activities disallowed in national parks.

The other ten national preserves are in Alaska, all established by the Alaska National Interest Lands Conservation Act of 1980. Seven of these border national parks of the same name; all permit sport hunting that cannot occur in the national parks. All of the existing national preserves would, without the authorized sport hunting, otherwise qualify for designation as national parks.

National Seashore

Cape Hatteras National Seashore (North Carolina) was the first such area to be authorized, in 1937. Nine more have been established on the Atlantic, Gulf, and Pacific coasts, the last being Canaveral National Seashore (Florida) in 1975. Some national seashores have roads, parking, and other developments accommodating heavy beachgoing visitation. Some are in a relatively primitive state and include wilderness areas, reflecting a mixture of both resource values and intensities of use. The management requirements associated with such differences heavily influenced decisions by the National Park Service to abandon a scheme that attempted to structure management policies around the titles of park system areas.

Hunting is allowed in most national seashores at certain times.

National Lakeshore

Congress authorized Pictured Rocks National Lakeshore in Michigan in October 1966. Indiana Dunes, on Lake Michigan immediately east of Gary, Indiana, came the following month. The last two national lakeshores, Apostle Islands (Wisconsin) and Sleeping Bear Dunes (Michigan), were authorized in 1970. All on the Great Lakes, the lakeshores closely parallel the seashores in nature and use.

National River

The first area in this general category was Ozark National Scenic Riverways, extending 140 miles along two rivers in Missouri, authorized in 1964. The comprehensive Wild and Scenic Rivers Act of 1968 was ultimately responsible for four more additions to the National Park System: St. Croix National Scenic Riverway, embracing about 200 miles of the river and its Namekagon tributary in Wisconsin and Minnesota (in 1968); the Lower St. Croix National Scenic Riverway, a 27-mile segment of the river (in 1972); the Rio Grande Wild and Scenic River, stretching from Big Bend National Park (Texas) for 191 miles to the Terrell-Val Verde County Line (in 1978); and Upper Delaware Scenic and Recreational River, a 75-mile stretch of the river between Hancock and Sparrow Bush, New York, along the Pennsylvania border (in 1978).

Other acquisitions, bringing the present total to twelve, bore the additional labels of national river, national river and recreational area, national scenic river, national recreational river, and wild river. Most of the permutations specified in the acts of Congress authorizing the areas suggest the qualities of the rivers and lands involved.

National Scenic Trail

The Appalachian National Scenic Trail, the first such unit of the National Park System, was so designated by the National Trails System Act of 1968. The Appalachian Trail extends some 2,100 miles from Mount Katahdin, Maine, to Springer Mountain, Georgia.

In 1983 two more national scenic trails were added: Natchez Trace NST, extending 694 miles from Nashville, Tennessee, to Natchez, Mississippi, paralleling the Natchez Trace Parkway; and the Potomac Heritage National Scenic Trail. This trail is so far undeveloped, but is authorized to extend 704 miles from the mouth of the Potomac River along both banks to the District of Columbia, then 175 miles along the Chesapeake and Ohio Canal towpath, then north to Conemaugh Gorge. These linear parklands are aptly described by their label.

National Parkway

Four units of the System fall into this category, none of them actually labeled "national parkway." The first, George Washington Memorial Parkway in Virginia and Maryland, dates from 1930. The Blue Ridge Parkway and the Natchez Trace Parkway, each more than 400 miles long, were begun later in the same decade. John D. Rockefeller, Jr. Memorial Parkway, linking Yellowstone and Grand Teton National Parks, was designated in 1972. The first three involved the construction of carefully landscaped roads through scenic countryside; the last utilized existing roads. All were intended for "recreational motoring," although the George Washington Memorial Parkway has become an often-congested commuter route.

The term parkway refers to the parkland surrounding the road in addition to the roadway itself.

National Recreation Area

The first unit with this designation was Lake Mead National Recreation Area, called Boulder Dam National Recreation Area when the National Park Service assumed responsibility for it in 1936. It and 11 other national recreation areas in the System are centered on large reservoirs. Delaware Water Gap NRA is at the site of a planned-but-never-built reservoir. The areas all emphasize water-based recreation.

Five other national recreation areas are all located near major centers of population: New York City, Akron-Cleveland, San Francisco, Los Angeles, and Atlanta. The first urban NRAs were Gateway (New York-New Jersey) and Golden Gate (San Francisco), authorized by Congress in 1972. The urban NRAs combine scarce open spaces with the preservation of often highly significant historic resources and important natural resource areas in locations that can provide outdoor recreation experiences for very large numbers of people.

National Historic Site

This designation, derived from the Historic Sites Act of 1935, is currently held by 62 units of the National Park System (second only to

national monument.) The first area to bear this label was Salem Maritime National Historic Site (Massachusetts), designated by Secretary of the Interior Harold L. Ickes on March 17, 1938.

Although a number of historic sites were ordered by Secretaries of the Interior, most of the sites bearing this label were authorized by Congress. The title has been applied to a diverse array of historic features from forts to the homes of notable Americans. In general, a national historic site contains a single historical resource (unlike the broader national historical park) historically associated with its subject (unlike the national memorial.)

National Historical Park

Morristown National Historical Park (NJ), site of two winter encampments during the Revolutionary War, and authorized by Congress in 1933, was the first of what are now 26 areas with this label. The term has generally been applied to complexes that extend beyond single sites or buildings, such as Independence NHP in Philadelphia with its collection of several structures, Boston NHP with nine separate components, and Colonial National Historical Park (originally a national monument) with its discrete Jamestown and Yorktown battlefield units.

National Memorial

The National Park Service classes 23 units as national memorials, although not all of them bear this designation as part of their titles and a few that have other labels would better fit this one. In general, a national memorial is purely commemorative of an historic person or episode. It need not occupy a site historically connected with its subject; if it does, the site is typically so altered as to bear little resemblance to its historic state.

The earliest feature now in the System classed as a national memorial is the Washington Monument, begun in 1848. Some national memorials, like this one and the Lincoln Memorial, are now historic in their own right.

The Wright Brothers National Memorial (NC) and Arlington House, The Robert E. Lee Memorial, located at Arlington National Cemetery, both exhibit original historic resources sufficient to qualify them as national historic sites.

Other national memorials include: Arkansas Post National Memorial, site of an early French settlement in the lower Mississippi valley; Chamizal NM (Texas), commemorating the 1963 signing of a treaty ending a long-disputed boundary question between the United States and Mexico; Johnstown Flood National Memorial (Pennsylvania); and Perry's Victory and International Peace Memorial on South Bass Island in Lake Erie, commemorating Commodore Oliver Hazard Perry's naval victory in the War of 1812.

National Battlefield

The nomenclature under this general title is diverse, including national battlefield, national battlefield park, national battlefield site, and national military park.

Ten historic battlefields in the National Park System are labeled national military park; the first was Chickamauga and Chattanooga National Military Park, established in 1890. Antietam National Battlefield Site, so named because it encompassed a smaller area,

followed that year and was the first national battlefield site. Antietam and most other areas so titled were later renamed, leaving only Brices Cross Roads National Battlefield Site with that designation today.

National battlefield park was the title initially favored by the National Park Service after it acquired the War Department's historic battlefields in 1933. Kennesaw Mountain, formerly a national battlefield site, received this label in 1935. Richmond National Battlefield Park and Manassas National Battlefield Park followed in 1936 and 1940.

In 1958 a National Park Service committee recommended national battlefield as the single title for all such areas. Ten battlefields--some subsequent additions and some retitled older areas--now bear the designation.

To further confuse the situation, not all the Service's battlefields carry one of the above labels. Custer Battlefield is a national monument. Palo Alto Battlefield is a national historic site, and Saratoga and War in the Pacific are national historical parks. Two other important battlefields, Yorktown and Chalmette, are units of larger national historical parks.

In summary, there are today ten national battlefields, one national battlefield site, three national battlefield parks, and ten national military parks.

National Cemeteries

The national cemeteries of the National Park System are closely related to the national battlefields. There are presently 14 national cemeteries in the System, all of which are administered in conjunction with an associated unit and are not accounted for separately. They include the national cemeteries at Gettysburg (Pennsylvania), Antietam (Maryland), Fort Donelson (Tennessee), and Custer Battlefield (Montana.)

Other Designations

Also included in the National Park System are more than a dozen other sites and areas that bear unique titles or combinations of titles: the White House and numerous small sites in Washington, D.C. are examples.

Curecanti National Recreation Area, three lakes extending for 40 miles along the Gunnison River in Colorado, is a Bureau of Reclamation site that is administered under a cooperative agreement by NPS as part of the National Park System.

In addition, there are some 30 areas that are neither federally owned nor directly managed by the National Park Service called "affiliated areas." These areas receive various forms of financial and technical support from the National Park Service; many of them were the object of congressional legislation, a few were historic sites designated by the Secretary of the Interior. Among them is a national scientific reserve (Ice Age, in Wisconsin), a national heritage corridor (Illinois and Michigan Canal), and Historic Camden (South Carolina).

Some affiliated areas are "hybrids," for which classification is complicated. Green Springs Historic District in Virginia, for example, involves preservation easements held by the National Park Service to protect a 14,000-acre landscape declared a National Historic Landmark. At Ebey's Landing National Historical Reserve on Washington's Whidbey Island, NPS owns and manages part of the site, but not all of it.

To further confuse the subject of labels, not all areas having a "national" designation are part of the National Park System and not all are administered by the National Park Service. Several national recreation areas are administered by the Forest Service in the U.S. Department of Agriculture.

The National Forest System, consisting of 156 national forests in 44 States is a separate class of conservation lands. The national forests are administered by the U.S. Forest Service, which was created in 1905. National forest lands are managed for different purposes than parklands--for timber production and other consumptive uses not permitted on lands in the National Park System. The national forests do, however, provide a large volume of recreational opportunities, often similar to what is found in many natural and recreational parks.

The National Wildlife Refuge System--435 units in 49 States (West Virginia has none)--is administered by the U.S. Fish and Wildlife Service, also in the Department of the Interior.

Yet another category of nationally significant conservation lands are "wilderness areas," special areas set aside by Congress "where man is only a visitor" and where all forms of development and use are strictly limited to preserve the area in its natural state. Wilderness areas are usually a specific part of a national park or national forest or national wildlife refuge.

While the labels assigned to units of the National Park System have a general logic to them, there has never been an agreed upon scheme for applying the labels to new or old areas in any consistent way.

In the future, it is likely that new units added to the system will come with special legislative terms and conditions, reflecting the fact that it is (mostly) no longer possible to create parks in areas that have not been previously settled by people. New parks will very likely make special provisions for the people already living there. New labels, such as those used by other countries facing similar circumstances, may even be invented to take account of the changing character of conservation.

Making Management Decisions

During the period of very rapid growth of the National Park System in the 1960s the National Park Service built a management scheme--a set of management guidelines--around three categories of National Park System units: natural, recreational, and historical. The object of this approach was to define how each area would be managed, what general principles would be followed in each type, what uses would be permitted, and what programs would apply to each. Management guidelines in the form of three "manuals" were developed, and, with varying success, applied and used at the unit level.

Problems began to occur and controversies arose because many units (and we now understand it was "most" units) could not be neatly categorized in just one of the three groupings. Cape Cod National Seashore, for example, was put in the category of recreational parks. It does, in fact, provide beach-going outdoor recreation for many thousands of people. But the Seashore is also an exquisite natural resource, one that is often fragile and susceptible to damage that can even be permanent. It is habitat for birds, wildlife, and creatures of the salt marshes. Cape Cod also has within it historic resources--some on the National Register of Historic Places--whose management requirements parallel those of sites labeled as historic.

Even though Cape Cod National Seashore provides abundant recreation in many forms, many of the management decisions affecting the Seashore must be made from the same perspective as similar decisions would be made in a natural park, such as Yellowstone or Yosemite, and taking account of the same values as an historic site, such as Independence Hall or a presidential home.

Another example: Gateway National Recreation Area, located on the harbor periphery of New York City and nearby northeastern New Jersey, is by its title a "recreational" park. It actually serves upwards of 10 million visitors a year, providing experiences as wide-ranging as ocean bathing, overnight camping, field sports, bird watching, and environmental education.

But Gateway, too, is a complex and diverse collection of resources that includes a full fledged wildlife refuge--in fact, one that is an important part of the migratory waterfowl flyway system. The Jamaica Bay Wildlife Refuge is largely manmade, but its "natural" characteristics demand careful management attention. Gateway also contains unique historic resources--Army structures associated with the Cold War and American seacoast defenses and weapons, including the Sandy Hook Proving Ground, a national historic landmark; Battery Weed on Staten Island that served as the fort guarding the entrance to New York Harbor--designed by Robert E. Lee; and the hangers and administration building of New York City's first municipal airport.

Having this diverse array of resources, Gateway cannot be treated as if it were an area having only recreational signficance.

And so it goes all around the National Park System. Yellowstone National Park contains more than 400 historic buildings and structures and provides countless days' recreational experiences for more than 2 million visitors a year. The management of historic sites everywhere is a task involving the management of people who are experiencing those sites while they are engaging in another form of recreation.

Nearly every unit of the National Park System is a mixture of resource values--natural, recreational, and historical. It is the responsibility of the professional park manager to know and understand the complex interrelationships between those resources in order that decisions may meet the objective spelled out in the National Park Service 1916 Organic Act to

> ...conserve the scenery and the natural and historic objects and wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

Congress elaborated on the Organic Act in the General Authorities Act of 1970, in which all units of the National Park System were defined to have equal legal standing in a national system that is more than the mere sum of its parts. Congress found that

> ...the national park system, which began with establishment of Yellowstone National Park in 1872, has grown to include superlative natural, historic, and recreation areas...that these areas, though distinct in character, are united through interrelated purposes and resources into one national park system as cumulative expressions of a single national heritage; that, individually and collectively, these areas derive increased national dignity...through their inclusion

> ...in one national park system preserved and managed for the benefit and inspiration of all the people....

It is the Park Service's job to treat all park system units with the same high measure of concern and to give attention to all resources in all parks, regardless of labels and of the way in which they became part of the National Park System.

So, a few years after the management categories were established, they were abandoned, in favor of a new policy approach which seeks to treat the complexities of each park in a more comprehensive way. In the mid-1970s the National Park Service adopted a new set of "Management Policies," still in effect, which recognizes the need to focus on resource values not only individually, but also collectively. A decision to build a visitor facility, well-justified as a means of providing a better recreational experience, may have unacceptably adverse impacts on an historic asset or a natural feature. Steps to preserve a natural asset may make it necessary to bar public use or drastically alter the way in which the public can see or use it. Such cause-and-effect relationships affect decisions by park superintendents and managers almost every day.

The basic policy context for the management of each unit of the National Park System is the law or order that created it. Sometimes those documents are detailed and precise; sometimes they are very general or merely cite the National Park Service Organic Act and describe the boundaries.

The National Park Service "Management Policies" provide the overall guidance for day-to-day decisions and long range planning for units of the National Park System. Because the policies are stated broadly, additional guidelines and policy elaboration are often provided in the form of published "Guidelines." Guidelines cover individual subjects in depth and often provide instructions or concepts on "how to" as well as giving instructions of a technical or procedural nature.

In order to deal with the differences between natural and recreational and cultural resources, the Service has adopted a land "zoning" scheme for use in planning and decision making. There are four zoning categories: natural, historic, development, and special use. Zones are defined by the physical location of the related features on the ground, and site-specific management planning and practices are tailored to the particular circumstances. This approach not only permits the identification of smaller features, but it also facilitates planning for how areas within a park unit relate to each other.

Many management decisions affecting individual parks are delegated to the superintendent or manager of the unit. Controls are exercised through policy directions, reporting requirements, budget and financial controls, and through periodic operations evaluations. Major planning decisions, the annual budget, and some departures from established policies are delegated to National Park Service Regional Directors, each of whom oversees park system units in several states. The policies themselves and overall Servicewide program direction are provided by the Director. Some matters are of such importance as to also involve the Secretary of the Interior and even the President.

On a variety of issues, such as those relating to land acquisition, there is regular and continuing consultation with the appropriate committees of the Congress. The Congress also holds oversight hearings on various topics or issues from time to time and its investigative arm,

the General Accounting Office, makes studies and issues reports on selected issues.

Modern park management is a complex undertaking often involving highly technical data, scientific fact, and opinion. It involves many choices that are difficult, based on subtle distinctions between alternatives that are often neither good nor bad. Many decisions involve saying "No" to something in order to protect the resource. When decisions are close, the Service will always try to "come down on the side of preservation." On many occasions, however, even "experts" do not agree on the best approach. Again, NPS managers are charged to "err on the side of preservation," if such a choice is known and available.

Over the years, NPS has developed scientific and technically trained expertise in many areas of park management--ranging from experts on wild fires to technicians knowledgeable about how to clean bronze statuary and how to repair or preserve historical artifacts. The successful integration of science and technology into the traditional arts of park management is one of today's most critical management challenges.

The complexity of the park management job would not, in all probability, be materially helped if there were more uniform definitions for and application of labels on park system areas. Certainly, in the years ahead, efforts will be made to be more systematic in assigning labels. More consistency in naming can help the public better understand why an area is part of the National Park System and what its principal features are.

JUN 6 1986

Memorandum

To: Director, National Park Service

From: Assistant Secretary for Fish and Wildlife and Parks

Subject: NBO Schedule for Revision of Management Policies

Your Action Plan implementing your 12 Point Plan recognizes the importance of Management Policies. It calls for "...reemphasizing Management Policies as the basis for decisions affecting parks and visitor uses." Your Action Plan points to revisions needed to overcome existing deficiencies, especially those that obscure differences among units; e.g. "...revisions will be made to better define classifications of different park areas -- for example, why a national park is different from a monument or preserve, a seashore from a historical park, and a historic site from a recreation area." It further points out that such differences must be reflected in NPS management policies stating that "...management techniques of these various areas will be different, and certain types of activities are appropriate in each area."

I wholeheartedly endorse your approach to improving the management of the National Park System.

Each unit of the National Park System shares the fundamental purpose that public use and enjoyment of its resources must be provided in such a way as to prevent adverse impacts to those

same resources. In applying this principle to park management we must first determine what a specific unit was primarily intended to provide for the public and the primary resources that form the basis for a unit's establishment. This determination must, in the first instance, be based on what the Congress and the President have told us in the legislation or proclamation that established a given unit.

As you know, the congressional and presidential message is unmistakable: there is significant variation among units in the System as to both purpose and primary resources. Your Action Plan recognizes the importance of adequately reflecting this message in our management policies.

The aggregation of individual units into the National Park System underscores the high value our society places on these places and their purposes without creating an overarching raison d'etat that somehow substitutes for unit specific legislation or proclamation. Its purpose is to highlight the importance of units individually and collectively rather than to suggest a homogenized system. Each unit of the System is unique; indeed, it is this very charactistic that allows us to speak of 337 "jewels in the crown."

The current edition of Management Policies makes needed differentiation among units in our management approach difficult to achieve because it treats the System as though it were composed of 337 units with uniform purposes as well as uniform resources. Differentiation should occur with respect to the management of natural resources, cultural resources, and visitor use at the very least. Clearly, for example, natural resource management policies that are appropriate at Yellowstone or Yosemite--national parks established primarily to provide the American public the opportunity to enjoy spectacular natural environments--may well be ill-suited for application at historic areas or at recreational areas such as Delaware Water Gap where Congress has emphasized recreation and approved hunting.

Because of the importance the Secretary and I place on the implementation of your 12 Point Plan in general and the revision of Management Policies in particular, I have attached the schedule for use in achieving this MBO objective.

In addition, as the Bureau's performance standards are developed for FY 1986-1987, specific elements should be incorporated to explicitly reference our management policies. While the overall standards will not change for senior executives the specificity for each executive's elements should reflect relevant management policies expressed herein. In addition, GM 14/15 standards (at a minimum) should also address all aspects of these policies pertinent to their management responsibilities. These elements and standards should be submitted to this office for concurrence no later that August 29, 1986.

/s/ William P. Horn

Priority I

Objective II Reemphasize the NPS Management Policies as the Basis for Decisionmaking as Part of the 12-Point Action Plan

Accomplishments to be achieved

Reemphasize that resource protection and providing for visitor use and enjoyment are coequal NPS mission mandates; that we are mandated to conserve resources for the benefit of the people as opposed to protecting resources from the people.

Reemphasize that differences among primary unit purposes and resources must be reflected in unit management and that unit specific legislation and proclamations are our first guide to determining those purposes and resources.

Responsible Official: Director (343-4621) Staff Contact: Deputy Director (343-8818)

Tasks:

A. Prepare a draft first chapter of a revised Management Policies consisting of basic statements of policy for the management of the National Park System.

1. Outline due to Director 7/11/86. Responsible official, Deputy Director.

2. Draft chapter to Director for approval. Due 8/15/86. Responsible official, Deputy Director.

3. Chapter to ASFWP for approval. Due 9/22/86. Responsible official, Director.

B. Based on the direction provided in the Assistant Secretary's memo of June 6, 1986 and using the chapters in the 1978 version of Management Policies as a topical guide; prepare a list (with accompanying rationale) of management topics suitable for a uniform management policy throughout the System and a list (with accompanying rationale) of topics that require differentiation based on primary unit purpose and resources.

1. Draft due to Director 7/11/86. Responsible official, Deputy Director.

2. Draft to ASFWP for approval. Due 7/18/86. Responsible official, Director.

C. Prepare a proposed schedule for completion of the revision by April 1, 1987, including time for public comment and review thereof.

1. Draft due to the Director 7/11/86. Responsible official, Deputy Director.

2. Proposed schedule due to the ASFWP for approval 7/18/86. Responsible official, Director.

D. Prepare specific elements for senior executives and standards for GM 14/15 personnel that explicitly incorporate our management policies as outlined in the Assistant Secretary's memo of June 6, 1986.

1. Draft of proposed elements and standards to Director. Due 8/15/86. Responsible official, Deputy Director.

2. Director approval. Due 9/22/86. Responsible official, Director.

3. Elements and standards submitted for ASFWP concurrence. Due 9/29/86. Responsible official, Director.

SEP 11 1986

A54(022)

Memorandum

To: Assistant Secretary for Fish and Wildlife and Parks

From: ~~Acting~~ Director, National Park Service

Subject: MBO to Revise the NPS "Management Policies"

Persuant to your instructions and the briefing by Alan Fitzsimmons on September 9, following is a list of topics called for in Task 8 of your June 6, 1986 memorandum. The list contains subjects which we understand it is your wish to "expand management flexibility" at various units of the National Park System, based on the type of area, "through differentiation based on primary unit purpose and resource."

Subject	Comments
1. Hunting and trapping	1. Differentiation to be based on statutory authorization.
2. Exotic species	2. Policies relating to units other than National Parks are to be made more flexible.
3. ORV's	3. Policies at National Seashores are to be made more liberal.
4. Permitted uses	4. Permitted uses at National Recreation Areas and at certain historic sites are to be more permissive.
5. Roads and trails	5. Improved public access to National Recreation Areas through road construction and trail development is to be facilitated by more liberal policies regarding such developments.
6. Pesticides	6. The use of pesticides in National Recreation Areas and units other than National Parks will be given more policy flexibility.

We believe all other management policy topics should be handled on a Servicewide policy structure.

At the September 9 briefing, Fitzsimmons suggested making these policy changes through reorganization of the NPS Management Policies that would begin with classification of all parks into the three categories of (1) natural, (2) cultural, and (3) recreational, then develop subsets of criteria for each type based on the exisitng NPS management zoning categories. He also indicated it may be acceptable to treat each of these policy changes separately on a one-by-one basis within the present general structure of the Management Policies.

We strongly recommend the latter approach. As the former scheme demonstrated in the late 60's and early 70's, policy differentiation based on type of park involved massive overlap and repetition, because most policies are Systemwide in character. We also believe it would be needlessly controversial and confusing to again overlay the classes on all park units. Both problems can be overcome by treating each of these six policy areas separately. Language can be drafted to accomplish the changes which you are instructing us to make without introducing broader areas of controversy which would attend return to the old classification system. Please let us know if this approach is agreeable. If it is, we will draft the necessary documents for your review.

We have also been informally advised that the draft Chapter 1 of the Management Policies which we furnished you last week is unacceptable. We understand we are to revise the draft to include the three principles contained in your February 18, 1986 memorandum in verbatim substance. We will abide by your instructions and will furnish you the requested revision by September 22. If there are additional aspects of the draft on which we should know your views, we would appreciate receiving them as soon as possible.

Attached is the requested revised MBO incorporating the tasks and dates provided us. Though we believe the schedule is unrelistically tight, in order to meet the April 1, 1987, completion date, we have provided for only one public review, to be accomplished concurrent with internal field reviews of the second draft.

Regarding SES performance elements, we are awaiting a meeting with Mike O'Bannon for the purpose of better understanding your expectations in this area. We have included this element in the revised MBO.

(Sgd.) Denis P. Galvin

PRIORITY I

OBJECTIVE II. REEMPHASIZE THE NPS "MANAGEMENT POLICIES" AS THE BASIS FOR DECISION MAKING AS PART OF THE 12-POINT ACTION PLAN

Accomplishments to be achieved:

1. Review and update as needed the 1978 edition of the NPS "Management Policies," to include new subject-matter now contained in Special Directives and other policy issuances; new material as needed; review for editorial consistency and understanding; followed by public review and formal adoption through Federal Register notice and publication. To be completed by September 30, 1987.

2. Develop and publish a pamphlet explaining the basis for NPS management policies decision making, including, an explanation of the source and meaning of the titles assigned by Congress to National Park System areas, by September 30, 1986.

Responsible Official: Director (343-4621) Staff Contact: Deputy Director (343-8818) Office of the Special Assistant for Policy Development (OSPD) (343-7468)

Tasks:	Target Date	Completion Date	Responsible Person
1. Prepare updated edition of the NPS "Management Policies"			
a. Issue a call to WASO and field offices for policy documents now existing and new drafts and Special Directives that are recommended for inclusion in an updated edition of the "Management Policies"; responses due 5/14/86.	03/19/86	03/12/86	Director

PRIORITY I

OBJECTIVE II. REEMPHASIZE THE NPS "MANAGEMENT POLICIES" AS THE BASIS FOR DECISION MAKING AS PART OF THE 12-POINT ACTION PLAN (continued)

Tasks:	Target Date	Completion Date	Responsible Person
b. Compile results of Task 1 and develop preliminary working draft of updated "Management Policies"; publish announcement of availability for 45-day review period (internal and public), in the Federal Register.			Deputy Director
1. Complete rewrite of Chapter 1 and submit to Director for approval.	09/18/86		Deputy Director OSPD
2. Brief Assistant Secretary.	09/22/86		Director
3. Complete draft of subject matter chapters and submit to Director for approval.	12/08/86		Deputy Director OSPD
4. Brief Assistant Secretary.	12/11/86		Director
5. Circulate for internal review.	12/15/86		OSPD
6. Provide comments on draft policies.	01/12/87		Associate and Regional Directors

PRIORITY I

OBJECTIVE II. REEMPHASIZE THE NPS "MANAGEMENT POLICIES" AS THE BASIS FOR DECISION MAKING AS PART OF THE 12-POINT ACTION PLAN (continued)

Tasks:		Target Date	Completion Date	Responsible Person
7.	Analyze comments and draft proposed policies; submit to Director for approval.	01/26/87		Deputy Director OSPD
8.	Brief Assistant Secretary.	02/03/87		Director
9.	Publish proposed policies in Federal Register for public review and comment.	02/09/87		OSPD
10.	Close comment period.	03/13/87		OSPD
11.	Analyze comments; draft final policies.	03/27/87		Deputy Director OSPD
12.	Submit final policies to Director for approval.	03/30/87		Deputy Director OSPD
13.	Brief Assistant Secretary.	04/01/87		Director
14.	Publish announcement of final policies in Federal Register.	04/10/87		Director

PRIORITY I

OBJECTIVE II. REEMPHASIZE THE NPS "MANAGEMENT POLICIES" AS THE BASIS FOR DECISION MAKING AS PART OF THE 12-POINT ACTION PLAN (continued)

	Target Date	Completion Date	Responsible Person
Tasks:			
2. Prepare and publish pamphlet.			
a. Complete draft of new publication explaining the basis for NPS management policies and decision making, with an explanation of the source and meaning of park area titles. Transmit draft to reviewers for comments; due 5/15/86.	04/15/86	04/03/86	D. Rettie J. Rogers Deputy Director
b. Revise draft as needed and complete design of pamphlet by Harpers Ferry Center.	06/25/86	06/25/86	D. Rettie Deputy Director M. Sagan
c. Print and distribute new pamphlet.	10/15/86		Deputy Director
3. Incorporate management policies into performance standards of SES and GM 14/15 personnel.			
a. Prepare and submit draft performance standards to Director for approval.	09/29/87		E. Davis
b. Submit draft performance standards to Assistant Secretary.	10/01/87		Director

PRIORITY I

OBJECTIVE II. REEMPHASIZE THE NPS "MANAGEMENT POLICIES" AS THE BASIS FOR DECISION MAKING AS PART OF THE 12-POINT :TION PLAN (continued)

Tasks:	Target Date	Completion Date	Responsible Person
2. Prepare and publish pamphlet.			
a. Complete draft of new publication explaining the basis for NPS management policies and decision making, with an explanation of the source and meaning of park area titles. Transmit draft to reviewers for comments; due 5/15/86.	04/15/86	04/03/86	D. Rettie J. Rogers Deputy Director
b. Revise draft as needed and complete design of pamphlet by Harpers Ferry Center.	06/25/86	06/25/86	D. Rettie Deputy Director M. Sagan
c. Print and distribute new pamphlet.	10/15/86		Deputy Director
3. Incorporate management policies into performance standards of SES and GM 14/15 personnel.			
a. Prepare and submit draft performance standards to Director for approval.	09/29/87		E. Davis
b. Submit draft performance standards to Assistant Secretary.	10/01/87		Director

September 30, 1986

Memorandum

To: Director, National Park Service

From: Assistant Secretary for Fish and Wildlife and Parks

Subject: MBO on Revising Management Policies

Revision of Management Policies is called for in your Action Plan implementing your 12 Point Plan. You have identified the clear need to tailor our management policies to suit direction given to us by Congress or the President upon establishment of individual units--to manage different types of areas differently based on such direction. Consequently, the revision of Management Policies has been made a Priority 1 MBO reflecting the importance the Secretary, the Under Secretary, and I give to this effort.

My memorandum of June 6, 1986, provides clear policy guidance on this issue, emphasizing the need to have our policies comport with congressional and presidential intent. It goes on to spell out specific MBO tasks. One of these, Task B, was to be accomplished by July 18, 1986. Owing to the fact that NPS asserted it never received that memo until July, I agreed to slip that date until September 18, 1986. Task B required two lists. One of management issues that were best suited to a single systemwide policy and another of those issues best suited to policy differentiation based on differences in unit purposes and resources as identified by Congress and the President when they established individual units of the system. Each item on the list was to be accompanied by the rationale for it being placed on that list. The existing Management Policies and "Special Directives" were to provide a starting point for issue identification.

The September 11, 1986, memorandum on this MBO purports to satisfy this MBO task. It does not. A well articulated response, befitting the importance of this initiative, was needed. Unfortunately, the September 11, 1986, memorandum did not provide the necessary listing and contained extraneous "comments" that I do not understand. Moreover, the "subjects" list needs additional work as it is composed solely of examples used at a staff level meeting.

Task B of this MBO is now overdue.

As for categorization of parks, NPS has yet to make a serious attempt to develop categories pursuant to this initiative. Perhaps there should be three categories or four or more. As part of the MBO, I need a complete briefing on at least three different approaches to categorization--including the parks that would be included in each category in each approach--as soon as possible but no later than October 31, 1986.

This MBO is a major initiative, as such it requires the attention of full-time senior staff who are permanent employees of the National Park Service. The staff must be creative and willing to take a fresh look at a complex issue.

I look forward to working closely with you on this issue.

William P. Horn

November 25, 1986

Note to Bill Mott

I have reviewed the draft Chapter 1 for the revision of Management Policies and want to offer some observations.

The staff doing the drafting should review my earlier memos on this topic so that the policy direction therein is clearly and unambiguously reflected in this chapter; that is not presently the case. While it is unnecessary to review that direction here, I do want to note, however, that it is consistent with your 12 Point Plan.

In preparing the new draft it is critical to keep in mind that the statutory language in the Organic Act speaks to conserving resources for the enjoyment of the public. Public enjoyment is the objective of resource conservation as envisioned by Congress. It is not, as suggested in the draft chapter, a mere "stipulation." The record does not support the notion that Congress ever envisioned the parks to be elitist preserves open only to a self-selected few. Congress has, from its very earliest park-related actions, made it clear that parks are for people--places where the citizens of this nation can go and experience firsthand the natural beauty of our land or walk the halls and fields where our history was made or engage in a variety of recreational pursuits.

Congress has also always been concerned about protecting those resources it was setting aside for public enjoyment--they wanted to be sure that appropriate public use and the development necessary to provide for it, would not be such that the resources that were being conserved would be destroyed in the mind of the citizenry. Consequently, language calling for resource protection has been included in park-creating legislation going back to the establishment of Yellowstone. Further, of course, the Organic Act calls for leaving the resources "...unimpaired for the enjoyment of future generations."

The draft refers to an inevitable tension between providing for enjoyment and preventing "impairment." I agree. I also agree with the draft in its assertion that when in doubt we must come down on the side of conservation; e.g., if potential development "may" result in "impairment" it must be delayed until we know with reasonable certainty whether or not "may" will become either "will" or "will not."

"Impairment," however, is highly subjective. It must first and foremost be related to physical resources themselves and must not be invoked to undermine the intent of Congress to provide for public use and enjoyment. Consequently, "impairment" should be thought of principally in terms of something that would result in a lessening of present and future visitor enjoyment.

The draft chapter needs a meaningful discussion of how our management and management policies reflect differential congressional intent inherent in the specific legislation that created individual units. After all; we have long since agreed that the purposes of Gettysburg, Gateway, and Gates of the Arctic, for example, are not the same.

If the National Park Service wishes to continue to use a zoning approach to making land management decisions this chapter must contain a meaningful discussion of this topic. That discussion should include a complete rationale for the zoning approach and an explanation of how the criteria used in making zoning determinations take into account the differential purposes of units as established by Congress. It must be clear that we do not use zoning to undercut congressional intent.

If you desire to keep the history portion of the current draft it must be done with better scholarship. Decades of scholars dealing with the National Park Service have referred to the "balancing" of use and conservation and the institutional history of NPS confirms that viewpoint. I also noted that missing from this section was any reference to the single most important NPS document on the interpretation of its mission as defined in the Organic Act--namely the letter from then Secretary of the Interior Franklin Lane to the newly appointed first Director, Stephen Mather.

The new draft Chapter 1 must be to me no later than December 16, 1986.

Bill Horn

DRAFT #8

CHAPTER 1

THE NATIONAL PARK SYSTEM

The world's first national park--Yellowstone--was created in 1872, at which time Congress set aside more than 2 million acres as "a public park or pleasuring-ground for the benefit and enjoyment of the people."

The legislation assigned the new park to the control of the Secretary of the Interior, who would be responsible for issuing regulations to provide for the "preservation, from injury or spoilation, of all timber, mineral deposits, natural curiosities, or wonders within said park, and their retention in their natural condition." Other park management functions were to include the development of visitor accommodations, the construction of roads and bridle trails, the removal of trespassers from the park, and to "provide against the wanton destruction of fish and game."

The idea of a "national park" was an American invention of historic consequences, marking the beginning of a worldwide movement that has subsequently spread to more than 100 countries and 1,200 national parks and conservation preserves. However, when Yellowstone National Park was created no concept or plan existed to build a "system" of such parks. The concept now described as the National Park System, embracing a wide variety of natural and cultural resources nationwide, evolved slowly over the years, often through the consolidation of federal land management responsibilities.

At the same time there was interest in preserving the great scenic wonders of the West, efforts were also underway to protect the sites and structures associated with early Native American culture, particularly in the Southwest. In 1906 the Antiquities Act authorized the President

> **...to declare by public proclamation [as national monuments] historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest...**

In 1916 Congress created the National Park Service in the Department of the Interior to

> **...promote and regulate the use of the Federal areas known as national parks, monuments, and reservations...by such means and measures as conform to the fundamental purpose of said parks, monuments, and reservations, which purpose is to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.**

This language lies at the heart of National Park Service management philosophy and policy, although its interpretation has not been without controversy or differences over the years.

Following World War II and during the 1960's, the National Park System grew into a physical reality, containing a diverse collection of

> **...superlative natural, historic, and recreation areas in every major region of the United States, its territories and island possessions.**

The above quotation is from Public Law 91-383, approved August 18, 1970, the Act of Congress that gave legislative recognition to the existence of a "system" of areas managed by the National Park Service which:

> **...though distinct in character, are united through their interrelated purposes and resources into one national park system as cumulative expressions of a single national heritage; that, individually and collectively, these areas derive increased national dignity and recognition of their superb environmental quality through their inclusion jointly with each other in one national park system preserved and managed for the benefit and inspiration of all the people...**

Congress went on to enact legislation to "include all such areas in the System and to clarify the authorities applicable to the system." Public Law 95-250, approved March 27, 1978, reemphasized that the "promotion and regulation of the areas of the National Park System...shall be consistent with and founded in" the 1916 Organic Act. Accordingly,

> **...the protection, management, and administration of [the system] shall not be exercised in derogation of the values and purposes for which these various areas have been established, except as may have been or shall be directly and specifically provided by Congress.**

Today over 300 units of the National Park System are under the custody and care of the National Park Service.

The need for management policies in the National Park Service was first articulated by Secretary of the Interior Franklin K. Lane in a letter to the first Director of the National Park Service, Stephen T. Mather on May 13, 1918. Secretary Lane stated that administrative policy should be "based on three broad principles: First, that the national parks must be maintained in absolutely unimpaired form for the use of future generations as well as those of our own time; second, that they are set apart for the use, observation, health, and pleasure of the

people; and third, that the national interest must dictate all decisions affecting public or private enterprise in the parks." These guidelines were originally based on the Act of August 25, 1916, and, with minor modifications, they have prevailed to this day.

Public Law 91-383 §1c.(a) (August 18, 1970) defined the "national park system" as

"..any area of land and water now or hereafter administered by the Secretary of the Interior through the National Park Service for park monument, historic, parkway, recreational or other purposes."

This title further states in §1c.(b) that

"Each area within the national park system shall be administered in accordance with the provisions of any statute made specifically applicable to that area." The Act goes on to list many of the general statutes that apply to park management. It is a convenient reference for the legal context of policy.

Congress has stated in the enabling legislation of most units, that each unit has its particular purposes and objectives. For example, "...areas of Revolutionary War interest at and in the vicinity of Morristown, New Jersey"... were set aside for the "...administration, protection, and development of [a] national historical park." (Act of March 2, 1933, providing for the establishment of the Morristown National Historical Park in New Jersey.) On December 2, 1980, Gates of the Arctic National Park and Preserve was established "To maintain the wild and undeveloped character of the area, including opportunities for visitors to experience solitude, and the natural environmental integrity and scenic beauty of the mountains, forelands, rivers, lakes, and other natural features; to provide continued opportunities, including

reasonable access, for mountain climbing, mountaineering, and other wilderness recreational activities; and to protect habitat for and the population of, fish and wildlife, including but not limited to, caribou, grizzly bears, Dall sheep, moose, wolves and raptorial birds." (P.L. 96-487, Title II Sec. 201(4)(a).) Though clearly diverse, these two units of the National Park System have one consistent objective, conservation of the resource for public benefit, which threads throughout the entire system.

These "Management Policies" recognize that all units of the National Park System are complex mixtures of values and resources, each with its own unique quality and purpose, each requiring specific treatment in the development and implementation of management strategies and operational plans. The managers of all parks are required to apply policies in a consistent and professional manner which has been dictated by Congress as the direction for management of the system.

The superintendent or manager of a unit of the National Park System will first look to the proclamations, law(s) or order(s) creating the unit. Such a review will demonstrate wide variations in the degree to which these documents prohibit or mandate specific management actions. Where they do exist, unit-specific language regarding the resources and their administration provides the primary and dominant guidelines for management. Further clarification may be found in the legislative history for each area.

All units of the National Park System are equally significant. There are no lesser and no greater parks--only different parks, serving to protect different resources in different locations. Though several National Parks have garnered the informal appellation "Crown Jewel," that expression has no Congressional, administrative or policy significance. The National Park System is a crown of over 300 jewels, each requiring

the full protection of the laws affecting the System and the full accountability of the National Park Service in applying the policies and practices of park management.

Having an equality of status does not, of course, relieve National Park Service decisionmakers from the necessity to distinguish and decide among competing priorities for the limited resources available to administer the system. Indeed, we are mandated by Congress and prudence dictates that we act in accord with their expressly defined mandates. So, while priorities must be set, they will be based on need or other systematic priority-setting rationales.

Consistent with the 1916 Organic Act, the purpose of all units of the National Park System is--

> **...to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same...**

The latter function of providing for the enjoyment of park resources is qualified by the requirement that it be accomplished--

> **...in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.**

The statutory mission of the Service - "conservation" and "enjoyment of the same" - is modified by the need to maintain the managed resources "...unimpaired for the enjoyment of future generations." The National Park Service has the responsibility both to "...conserve..." and "...provide for...enjoyment..." Only in those instances when impairment is a consequence of current activity does the conservation mandate take precedence.

There will inevitably be some tension between conservation of the resource and the public use and enjoyment of the resource. The National Park Service is charged with the difficult task of doing both. A degraded/impaired resource must not be left for future generations. As the population of the United States increases and becomes more urbanized, education and interpretation becomes more important in acquainting the public with its responsibility to protect the resource while using it. We must honor our mandate to accommodate the public. But, if and when the resource is impaired by over or improper use, we may, as one of our management tools, resort to temporary closing of a specific area.

The word "unimpaired" is derived from "impair," meaning to diminish in quality or quantity or value. Impairments may be short term or long term and may involve both physical resources and intangible values associated with the resources of the National Park System. The quality of scenery or the existence of solitude are intangible values susceptible to impairment. Disease caused by exotics, water pollution, or physical development may cause tangible impairment. Impairments may involve the cumulative effects of small changes over a long time. Temporary alterations, such as those that might be associated with the construction of a building or a road are not normally in themselves "impairments." However, the resulting building or road may constitute an impairment of park resources. In order to fulfill our mandated purpose(s), we are willing to accept modest, short-term effects, but we will not cross over into long-term degradation.

Alterations or impacts that are neither temporary nor permanent, such as activities that may last from 3 to 30 years, must be examined to determine their effects and impacts. Such factors as scale, the number of people affected, the potential for cumulative effects, and other relevant factors must be considered when defining impairment.

It is National Park Service policy to treat potential impairments in the same manner as known impairments. When an action may impair the resource, actions will be based on strategies that retain resources in an unimpaired mode until such time as doubts are resolved. For example, if a development may irreparably damage an established park resource, the development will be postponed or reconfigured until it can be established whether "may" is "will" or "will not," within reasonable limits of certitude. Absent that assurance, the action will not be taken.

The National Park Service will build and maintain a strong data base through research and education. Using the resources of this data base, we will examine all options to assure informed decisionmaking.

Park management and operations will reflect the policy that the National Park System is directed by Congress to serve the broadest public interest in perpetuity.

Policy originates in law. The Constitution as the supreme law of the United States recognizes the Congress as the principal body for making National Park policy through the property clause.

"The Congress shall have the Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; ..." Article IV. Section 3.

Authority for interpeting and implementing policy is delegated to appropriate levels of government.

In addition to the 1916 Organic Act and the 1970 Act defining the National Park System, the National Park Service is guided by numerous Acts of Congress, Executive Orders, regulations and policies external to the Service. Relevant statutes and other guidance affecting the various

facets of unit administration and management are cited in later sections of these "Management Policies."

Policy in the National Park Service is derived from law, and constitutes the official course of action or direction by which decisions are made and actions undertaken by authorized persons. Policy direction may be general or specific; it may involve the process by which an action is to be accomplished or it may only involve the results to be achieved.

All official policy must be articulated in writing, approved by a National Park Service official authorized to issue the policy, and published or otherwise made available to those whom it affects and those who must implement it.

Unwritten or informal policy and "traditions" will not be relied on as official policy and, when their importance suggests, steps should be taken to articulate the subject in writing as formal policy.

Generally servicewide policy is articulated by the Director. Such policy must be consistent with all higher authorities (U.S. Constitution, Public Laws, Proclamations, Executive Orders, Rules and Regulations, Directives of the Secretary and Assistant Secretary) and with appropriate delegations of authority.

Policies of less than Servicewide application may be issued by Regional Directors within the structure of formal delegations of authority. Unit specific policies (such as hours of operation or the dates for seasonal openings) are set by Superintendents and managers within formal delegations of authority.

Servicewide policy is contained in the "NPS Management Policies" and in supplementary directives and guidelines approved by the Director and

issued from time to time. Matters of public interest will be afforded public review for comments prior to formal promulgation.

Policy is mandatory, unless waived or modified by appropriate authority. All policy waivers and modifications are to be regarded as non-precedential and may not be used as grounds for further waivers or modifications. Servicewide policy may only be waived by the Director or his designee. Policy issued by a Regional Director may only be waived or modified by that official.

It is the responsibility of all National Park Service officials and employees to be informed about and knowledgeable of all policies affecting their work and areas of responsibility.

The following chapters provide statements of Servicewide policy and their rationale. Relevant rules, regulations, and policies issued by other authorities are cited where applicable for reference purposes only. Other laws, regulations, and policies related to the administration of Federal programs not cited also apply.

Question: Does the revision of the manual require public notice and review? If so, when is that planned?

Answer: Yes. Pending no delays, we plan to have the Management Policies Manual in draft form by fall of 1987. At that time, notice will be published in the Federal Register of availability of the document for public review and comment. The review period will be for 120 days. At the end of the review period, we will incorporate or respond to comments received and complete the final Management Policies Manual. Notice of availability of the final document along with responses to comments will also be published in the Federal Register.

WATER RIGHTS

Question: What is the status of the water reservation and use review addressed by Congress in the 1987 bill and reports?

Answer: In accord with the five guidelines set forth by the Senate Interior Appropriation Report, the Service is documenting and quantifying its claims to the water needed to support the primary purposes of park units located in river basins presently

being adjudicated in the States of Arizona, Colorado, Montana, and Utah.

In anticipation of additional river basin adjudications and/or settlement discussions or administrative proceedings in the States mentioned and in the States of Alaska, Idaho, Oklahoma, and Oregon, efforts are underway to collect needed data for the preparation of water claims in support of park unit primary purposes.

HOUSING STUDY

Question: The Committee continues to be concerned about the poor condition of employee housing at various park units. Please submit the housing report called for by the Managers for the record.

Answer: The Service's Housing Report has been submitted to the Assistant Secretary for Fish and Wildlife and Parks for review. The Assistant Secretary has requested additional data which the Service is in the process of consolidating. The report will be forwarded to the Committee upon approval by the Secretary.

NATIONAL MARITIME INITIATIVE

Question: Please submit for the record a list of Maritime Preservation Actions underway in 1987, along with scheduled completion dates. Please specify how both Service and non-Service maritime resources are to be covered.

Answer: The National Park Service has undertaken the following actions in support of the maritime initiative:

Action	Completion Date
In response to the congressional request for an inventory of the Nation's Historic Maritime Resources, the National Park Service, working with the National Trust and the maritime preservation community, has completed a preliminary inventory of 250 preserved historic vessels in the United States. Service staff are currently working to complete preliminary inventories for small craft collections, shipwrecks, hulks, aids to navigation, Maritime complexes, Maritime Museum collections, and Historic Maritime document collections.	September 1987
In cooperation with the Association for Preservation Technology, the Service, in September 1985, co-sponsored a short course/conference, on developing standards for the preservation of large museum ships. The proceedings of that meeting, as well as opinion pieces and preservation practice articles, were prepared and guest edited	September 1987

Action	Completion Date
by Service staff as a special Maritime Preservation issue of the Association for Preservation Technologies Bulletin. Drawing from this bulletin and existing NPS cultural resource management standards, guidelines and regulations, Service staff are now preparing a bulletin outlining standards and guidelines for the preservation and maintenance of historic vessels.	
In cooperation with the National Trust for Historic Preservation, the National Park Service's Historic American Buildings Survey/Historic American Engineering Records Division, is working to complete standards for the documentation of historic vessels. In cooperation with the National Trust, Northwest Seaport, Inc., Mystic Seaport Museum, and the Calvert Marine Museum, the National Park Service has conducted hands on documentation projects with a number of historic vessels. HABS/HAER is now documenting the National Historic Landmark sailing ship Balclutha at the National Maritime Museum in San Francisco.	September 1987
The National Park Service's Submerged Cultural Resources Unit is working to document shipwreck sites in various National Park Service areas throughout the Nation. These sites include substantially intact 19th and 20th century wooden and nonwooden shipwrecks at Isle Royale National Park on Lake Superior, 19th and 20th century vessel remains at Cape Hatteras National Seashore, 18th and 19th century wrecks at Cape Cod National Seashore, 19th and 20th century wrecks at Golden Gate National Recreation Area, Point Reyes National Seashore, Glen Canyon National Recreation Area and Apostle Islands National Lakeshore, as well as the battle-scarred remains of USS Arizona and USS Utah at the USS Arizona Memorial in Pearl Harbor, Hawaii.	Continuing activity with no specific target date.
The National Park Service is assisting the Marine Sanctuaries Program of the National Oceanic and Atmosphere Administration (NOAA) to adopt existing NPS standards and guidelines to the USS Monitor archeological project. A senior	Continuing activity with no specific target date.

Action	Completion Date
service archeologist has been assigned as consulting archeologist to assist NOAA in drafting standards for the preservation of submerged cultural resources in National Marine Sanctuaries and protected areas.	
The National Park Service has completed a technical bulletin that applies National Register criteria and provides instructions for nominating historic vessels and shipwrecks to the National Register.	February 1987
A National Historic Landmark Theme Study on the subject of Warships Associated with World War II in the Pacific was completed in May 1985. On January 14, 1986, 22 of these warships were designated as National Historic Landmarks. The National Historic Landmark Study for the remains of USS Monitor was completed in March 1986. Service staff are currently completing a National Historic Landmark Theme Study of Presidential Yachts and a shipyard complex in Benicia, California.	August 1987
In July and December 1986, meetings were held with the National Trust for Historic Preservation and representatives of the maritime preservation communities to evaluate the significance of previously identified maritime resources and to recommend strategies for their preservation.	

Question: What is the status of discussions to shift management of maritime resources at Golden Gate to the control of a foundation?

Answer: The National Park Service is not aware of any discussions involving this matter.

Question: Does the Service support such a concept?

Answer: No. The Service does not support such a concept.

Question: What conditions would have to be met for such a concept to become operational?

Answer: The National Park Service does not support this concept.

WILLIAM HOWARD TAFT NATIONAL HISTORIC SITE

Question: Regarding the Taft home, will funding to date permit the Service to open the home in time for the upcoming anniversary? If not, what else is needed?

Answer: The first floor of the home will be open to the public in time for the anniversary. Rehabilitation of the second floor for museum exhibits and interpretive areas, the back stairway from the basement to the second floor, the basement, and extension of the mechanical systems to the second floor and the basement still need to be completed. The estimated amount required to complete the previously described work is $420,000.

MINING IN ALASKA PARKS

Question: What is the status of efforts to implement laws and regulations concerning mining in Alaska parks?

Answer: The National Park Service is currently in compliance with all laws and regulations governing mining in units of the National Park System in Alaska and is also in compliance with U.S. District Court orders of July and December 1985 concerning minerals management and access to mining inholdings.

Question: Is the Service current on processing plans of operations, including environmental assessments?

Answer: Because of the recent litigation, there was a significant reduction in number of plans of operations submitted for the 1986 season, and an increase in analysis time. However, processing of all complete plans is current, including environmental assessments. Processing of all permits is current, including environmental assessments. Three major Environmental Impact Statements required by the District Court are being prepared under contract through the Denver Service Center and are scheduled for completion in December 1988. Upon completion of the Environmental Impact Statements, minerals management in Alaska will be on the same basis as minerals management in the parks elsewhere.

Question: Please provide a 5 year cost and milestone plan, for years 1987-1991.

Answer: The projected annual program costs for 1987 and 1988 are $3.2 million and for 1989 are $2.8 million. With completion of the Environmental Impact Statements, program costs should stabilize in 1990 at $2.8 million. A current lawsuit to require the Service to complete validity exams as a condition for approval of plans of operations, if lost, would have significant program costs impacts.

NATURAL RESOURCES STAFFING AND TRAINING

Question: What plan does the Service have to provide additional natural resources staffing and training? For staffing the new wildlife unit?

Answer: The Service plans to meet natural resources staffing needs by upgrading resources management training for existing staff with full-time or collateral resource management duties. The National Park Service has been training and will continue to train selected employees with natural science backgrounds under the Natural Resource Specialist Trainee Program. In the third class under this program, 20 trainees will finish a 13-month program of 16 courses in natural resources management in early 1988. These individuals will be assigned as natural resource specialists to parks with natural resource staffing needs.

The natural resources component of the Servicewide training program has also been expanded. Over the past 5 years, the Service has increased the number and scope of courses offered at its Servicewide training centers. The curriculum has been broadened from general natural resources courses to include courses on natural resources topics such as air quality management, basic vegetation management, basic wildlife management, integrated pest management, water resources, and energy, mining and minerals management. Courses in intermediate vegetation management, intermediate wildlife management, air quality monitoring, computer applications for natural resources management, fisheries management, wilderness management, natural resources law, and other resource management topics are to be added to the curriculum this year.

Where appropriate, the Service plans to use more inpark training materials, such as videotapes and curricula for 1-day courses to be taught by park staffs, especially to meet the needs of personnel who do not have natural resource management responsibilities, but whose actions affect natural resources. Videotapes on natural resource management philosophies, geographic information systems, integrated pest management, air quality, and mining and minerals have already been developed.

The National Park Service recently decided to create a Division of Wildlife and Vegetation under the Associate Director for Natural Resources. The Service intends to staff the new division primarily from existing science and natural resource personnel who have wildlife and vegetation management expertise and are duty stationed in the Washington Office.

AIR QUALITY

Question: How many units remain to be equipped with air quality monitoring units? Where, when and at what cost?

Answer: By the end of 1987, the National Park Service will be monitoring in all 48 class I areas and in 16 class II areas. Though many of the approximately 340 units of the National Park System "remain to be equipped with air quality monitoring units," the current monitoring network is addressing the highest priority monitoring needs.

Congress appropriated additional funds in 1986 ($1.03 million) and 1987 ($1.14 million) to conduct air quality monitoring in 17 class I areas where no monitoring was being conducted. During 1986, fully complemented air quality monitoring programs (visibility, criteria pollutant and meteorological monitoring) were established

at 8 of the 17 class I areas (Arches, Carlsbad Caverns, Denali, Hawaii Volcanoes, Petrified Forest, Pinnacles, Voyageurs, and Yellowstone National Parks); the 9 remaining sites (Badlands, Bandelier and Great Sand Dunes National Monuments; Haleakala, Isle Royale, Lassen Volcanic, Redwood and Virgin Islands National Parks; and Point Reyes National Seashore) should be operational by the summer of 1987. With the addition of these 17 sites, the National Park Service will be conducting some type of air quality monitoring in all 48 class I areas and 16 class II areas. The monitoring component of the air quality program costs about $3.6 million annually.

Many of the monitoring stations established before 1986 do not monitor all relevant air quality parameters (for example, no visibility monitoring is being conducted at Sequoia National Park and Saguaro National Monument; no criteria pollutant monitoring is being conducted in a dozen class I areas). Of the pre-1986 monitoring stations, significant air quality parameters are not being monitored at 24 class I areas and 6 class II areas. In addition, no appreciable air quality monitoring is being conducted in any Alaska park area other than Denali, nor in 31 "mandatory" class II park areas (areas which Congress has said may not be redesignated to class III) in the lower 48 United States, including several units in Southern Arizona likely to be affected by sulfur dioxide emissions from Mexican smelters.

Costs for upgrading and expanding the monitoring network to allow collection of baseline data at National Park Service units range from $5,000 to $128,000 per site. One full-time staff person can supervise monitoring activities at about 25 sites; currently, two full-time staff people are available to supervise the existing 64-station network. Biological effects studies cost from $5,000 to $125,000 per park.

NATURAL RESOURCES RESEARCH PROGRAM

Question: For the natural resources research program, please provide a current program description with recent changes or planned changes. Include an identification of in-park research dollars and regional or Washington funding.

Answer: We estimate that in 1987, approximately $25.4 million is programmed for research out of a total natural resources budget of approximately $64.8 million. "Research" is defined as all data collection and analysis, not only original investigations. It includes monitoring activities for air quality, water quality, etcetera, and other long-term monitoring and basic inventories of park resources.

Of this total, we estimate that $8.1 million is spent by parks from their base funding and $6.2 million by Regions from their bases. Approximately $11.1 million is spent in support of Servicewide programs such as air quality ($5 million), water resources ($1.6 million), acid precipitation ($0.5 million), and geographic information systems($0.5 million). Another $3.6 million of Servicewide funding is distributed to parks and Regions from the Natural Resources Preservation Program for research projects.

If one defines "research" as only original investigations, the amount spent is much smaller, about $13 million Servicewide for natural resources, which supports mostly the inhouse investigations of 70 scientists in the research grade evaluation category. In 1986, a complete list was made of each investigator's ongoing research by category. The largest categories were wildlife, vegetation, ecosystem, and fisheries/aquatic ecology. Some studies were underway in air quality, water quality, exotic species, sociology, and fire ecology. The smallest categories were geology/caves, coastal processes, and soils.

Recent changes in natural resources research include a special effort to strengthen the baseline data for the new Alaska parks ($500,000 in 1987 funds); to obtain data for the assessment of mining claims in Alaska ($1.2 million in 1987 funds); and to develop and implement a baseline inventory and long-term monitoring strategy for Organ Pipe Cactus National Monument ($247,000 in 1987 funds and $83,000 in 1988 funds).

Fiscal 1988 changes include expanding long-term monitoring and increasing baseline inventory and assessment Servicewide ($660,000) and integrating bear reports into the geographic information system at Glacier National Park and maintaining bear data collection and recording systems at Yellowstone National Park (a portion of the total $350,000 increase requested for various bear management activities).

Question: How are the priorities set and the program managed?

Answer: For the approximately $8.1 million spent on natural resources research by parks from their base funds, superintendents set priorities based on their resource management needs as defined in the parks' Resource Management Plans. Annual summaries of research accomplishments are written for these projects and reported to Regional and Washington Offices.

For the approximately $6.2 million spent for natural resources research out of Regional base funds, priorities are set by the Regional Chief Scientists and Regional Directors. Some of these funds are directed to individual parks to help meet needs identified and prioritized in the Resource Management Plans, but for which park base funding is not available. Some of the Regional funds support Regionwide research needs dealing with multipark issues.

Regional Chief Scientists also play an important role in advising park superintendents of priority needs and how they may best be addressed and funded.

For the $11.1 million of Washington-based funding, priorities are set by the Division Chiefs of the Air Quality, Water Resources, and Geographic Information Systems Divisions, in consultation with Regional Directors and the Associate Director, Natural Resources. Air quality monitoring priorities are largely dictated by the need to know the condition and trends in air quality in class I park areas and at parks with known or potential air quality threats.

Water resources projects are funded from a multiyear priority list developed from projects submitted by Regions and subjected to ranking by formal criteria by a joint Washington and Regional Office reviewing group. Some water resource research is also performed in support of water rights documentation needs.

For the research funded from the special Natural Resources Preservation Program funds, priorities are set by the Director and Regional Directors who meet periodically and establish a multiyear Servicewide priority listing. To be funded from this source, a project must be documented as a high priority need in a park's Resource Management Plan and must be capable of being accomplished in 3 years or less. In addition, the Regional Director must certify that the project cannot be done with existing park or Regional funds without displacing an even higher priority current activity.

Question: Where will the baseline comprehensive monitoring increases go?

Answer: As part of the Director's 12-Point Plan, a draft strategy to create usable resource inventories for each park has been written and reviewed by Regions, parks, and the Washington Office. Comments are being considered to develop a final strategy for approval by the Director.

The draft strategy calls for standards and guidelines for baseline inventory and long-term monitoring to be developed in 1987 and for the status of existing park inventories to be evaluated against the new standards by the end of calendar year 1987.

The draft strategy currently proposes that pilot programs to establish or augment baseline inventories and monitoring be started in 8 to 10 parks in 1988. The comprehensive monitoring increases would go to these pilot parks. The parks will be chosen during the process of evaluating the existing inventories against the standards.

Question: Where are the base funds now distributed?

Answer: We estimate that approximately $8.1 million is spent by parks on research and monitoring, out of park natural resource management base funds of $31.7 million. The amounts vary greatly from park-to-park, with large, complex ecosystem parks like Everglades and Yellowstone spending much larger amounts than smaller, less complex parks. Some of these funds contribute to the parks' baseline and long-term monitoring data collection.

Approximately $6.2 million of the $11.4 million in Regional natural resource base funds is spent on research, including data collection and analysis.

Included in the previously mentioned base-funded activities are two significant increases to the baseline inventory and monitoring activities in 1987. These are $500,000 for baseline data for Alaska parks and $247,000 for evaluation of sensitive habitat in Organ Pipe Cactus National Monument. Specific studies are described below:

ALASKA PARKS

Inventory and monitoring surveys or studies are being carried out in 11 parks. The $500,000 is supporting a number of studies, including 5 of wolves, 4 of fisheries, 4 of sheep, 3 of moose, 2 of forestry and/or range, 1 of musk oxen, and 1 of all-terrain vehicles (ATV's). The amount of funds varies widely between parks, and between studies. Some typical costs are $10,000 for a survey of sheep in Gates of the Arctic National Park and Preserve; $25,000 for a study of caribou in Yukon-Charley Rivers National Preserve; and $40,000 for a study of the fishery in Lake Clark National Park and Preserve.

ORGAN PIPE CACTUS NATIONAL MONUMENT

Thirteen separate inventories or studies are being done in 1987, three of which will continue in 1988 and 1989. Major efforts in 1987 will be to identify the particularly vulnerable ecosystems of the 17 ecosystems under scrutiny, to compile a bibliography which will serve all 13 studies, and to make a travelling interpretive display describing these special studies. Other studies underway include special status plants, weed ecology, land use patterns around the park, rehabilitation of grazing effects, inventory of ferns and mosses, herpetological inventory, inventory of terrestrial invertebrates, climatology study, boundary study, and study of special status vertebrates.

GRIZZLY BEAR PROGRAM

Question: Please provide a funding and project summary by location for the grizzly bear program, including justification for the increases.

Answer: An increase of $350,000 is requested for Glacier National Park and Yellowstone National Park. The funding and project summary by location is as follows:

Glacier National Park

Extension of seasonal employment to patrol heavy visitor use areas and disseminate information on bears, thereby reducing bear/people encounters; employment of two long-term bear management seasonals to work on back country campsite relocation and food storage improvement; and integration of bear report data into the park's geographic information system.	$68,900
Ground and air transportation of personnel, traps, and bears when necessary to relocate them.	3,000

Supplies and equipment, including public information materials to improve interpretation.	10,100
Yellowstone National Park	
Improvement of informational and educational services for visitors in front country areas and to more strictly enforce bear-related regulations on backcountry use such as minimum group size and closure of certain areas to horseback parties. Increased patrol and visitor contact are needed along 330 miles of roadway, 1,000 miles of trail, 13 campgrounds, and 8 developed areas. Some additional effort would be directed toward maintaining bear date and recording systems.	222,000
Transportation support for the previously mentioned increased patrols and helicopter and airplane services for backcountry monitoring and for bear relocation.	32,000
Supplies and equipment, including such items as warning signs, printing of educational materials, horse feed, etcetera.	14,000
Total	350,000

The requested increases to base funds are needed because these bear management programs must be continued indefinitely. Currently, the grizzly bear is a threatened species, but even if it recovers to the point that it is not threatened, these and similar special management efforts will be necessary to continue to keep down bear/people encounters and to ensure that the bear population is stable or increasing. Since 1983, the Service has spent approximately $426,000 annually from special funds (Natural Resource Preservation Program) to support this work. These special funds are only for projects which can be accomplished in 3 years. Since the need for grizzly management will continue indefinitely, it should be base-funded.

ROOSEVELT-CAMPOBELLO INTERNATIONAL PARK COMMISSION

Question: Some park units have been restored to the pre-Gramm-Rudman-Hollings base levels, while others such as the Roosevelt-Campobello International Park Commission have not. What would the Service do with the additional funding if that unit were restored to $425,000 or $450,000?

Answer: The 1986 pre-Gramm-Rudman-Hollings appropriated level for Roosevelt-Campobello International Park Commission was $408,000, the same amount as appropriated in 1987 and requested in 1988. This amount is equally matched by the government of Canada under the provisions of Public Law 88-363, which authorized creation of the park. Therefore, under this law, neither country may give less than the other. An increase in funding of $17,000, for example, by the United States would mean that the park would

also receive an additional $17,000 from Canada under the matching arrangement.

With this in mind, an increase in funding by the United States from $408,000 to $425,000 would result in an additional $34,000 to the Park Commission. This funding would be used to alter and repair its Loop Drive road system, including the conversion of a portion of the road to a one-way operation. In addition, the funds would be used to upgrade maintenance equipment. Should $450,000 be made available, the additional $84,000 ($42,000 from the U.S. and a matching $42,000 from Canada) would provide for more equipment including a truck, in addition to the loop road improvements.

The Canadian Government is currently committed to a level of support for 1988 no higher than $425,000. We believe a $408,000 level to be sufficient. Any increase above this level would create problems under the matching agreement. For this reason, an increase by the United States to the level of $450,000 would not be prudent in 1988.

In some years, difficulties occur because the Canadian and U.S. Governments' fiscal years do not run concurrently. Canadian appropriations for the Park Commission are made available on April 1, the beginning of the Canadian fiscal year. Matching National Park Service (NPS) appropriations for the same year become available on October 1. In the past, if NPS appropriations are subject to any sort of across-the-board cut in a given fiscal year, then U.S. contributions will not equal the Canadian contribution. This causes some to feel that the U.S. is not living up to its treaty obligations.

A possible approach to solve this dilemma would be to double-fund the Commission one year. The Canadians would then be able to exactly match the U.S. contribution, since they would know on October 1, the amount that they should match the following April 1. It is important to note that the Canadian match recognizes the difference in the value of the Canadian and U.S. dollar. The Canadians currently match at approximately $1.40 for each U.S. dollar.

EMPLOYEE COMPENSATION

Question: What is the total Employee's Compensation Fund prior to base adjustments? FTS cost? Postage? (Page 26)

Answer: The funding amounts for the above programs prior to the base adjustments are as follows:

	(Dollars in Thousands)
Employees' Compensation Fund	$5,381
FTS	4,100
Postage	2,100
Total	11,581

PAY INCREASE

Question: How was the 1987 pay increase calculated? The 1988 increase?

Answer: The 1987 pay increase was calculated by first determining the actual average salary cost for each FTE used in 1986 and the average daily cost by FTE based on the number of paid days in that year. This figure was then multiplied by the number of FTE authorized for 1987, the percent of the pay increase and the number of days in 1987 the increase will be in effect. The 1988 increase was computed by adjusting for changes in the projected FTE levels and total number of paid days in 1988. A sample of the calculation will be provided to the Committee.

Question: What does it mean "and FTE changes" relative to the 1988 pay increase?

Answer: The wording "and FTE changes" is included as part of the standard language used by the Department of the Interior to justify and explain the proposed base adjustment for increased Federal pay. It is included to reflect the fact that the adjustment needed for full-year pay costs is affected by the level of FTE requested in the budget. A decrease in FTE, for example, will result in a reduction in the full-year requirements for additional salaries and benefits.

Question: What about the same calculation for FERS?

Answer: Increase requirement for FERS were calculated using the assumptions and procedures out lined in OMB Circular 87-5. A copy of the calculation will be furnished to the Committee.

NATIONAL RECREATION AND PRESERVATION

TECHNICAL ASSISTANCE

Question: The budget request for the National Recreation and Preservation account is for $10,317,000, a decrease of $1,081,000 (-9%) from the 1988 base.

The major decrease is to the Natural Program, specifically the elimination of the State and Local Rivers Conservation Technical Assistance Program. What has been the level of requests for assistance, by region, and the number of projects receiving assistance?

Answer: The following table identifies the level of assistance for 1986, the total requests received for 1987 and the allocation of funds for approved projects. The amount of funding and project requests have remained consistent over the past several years among the Regional Offices. The number of projects receiving assistance for 1987 is 42.

Region	1986 Allotment	1987 Request	1987 Allotment
Alaska	15,000	15,000	0
Mid-Atlantic	426,000	974,084	426,000
Midwest	0	33,000	33,000
North Atlantic	35,000	94,962	43,200
Pacific Northwest	60,000	96,000	88,000
Rocky Mountain	51,000	84,780	74,000
Southeast	50,000	137,000	75,000
Southwest	0	0	0
Washington Office	405,000	448,800	298,800
Western	25,000	3,000	3,000
Total	1,067,800	1,886,626	1,041,000

Question: What is the distribution of funding by region, compared to the workload by region?

Answer: The distribution of funds and the workload as represented by requests is indicated in the above table. The actual workload for 1987 equals the actual Regional allocation of resources. This is because this program is project funded rather than funded from a continuing "base" allocation.

Funds are allocated to Regions on the basis of individual project proposals, ranked according to published criteria, and subject to funds available.

In order to insure that the limited funds are used in the most efficient manner and serve the maximum number of conservation actions, priority is given to (1) Nationwide and Statewide Workshops, followed by; (2) Statewide System Development and Assessments; (3) Individual River or Trail Workshops and; (4) Individual River or Trail Assessments and Management Plans.

Individual projects are evaluated based on cost, resource significance and river or trail miles involved, percent of State or local match (a 20 percent match was mandated by the fiscal year 1987 Appropriation Act), amount of interest and support, and the amount of previous help within the state in the past 5 years.

Question: Please distribute the reductions on page 193 by budget activity.

Answer: The proposed decrease for 1988 in Recreation Programs would be distributed as follows:

Surplus Real Property	$270,000
Recreation Statistics and Information	46,000
Total	316,000

ARCHEOLOGICAL RESOURCES MANAGEMENT

Question: What is the DOI Working Group on archeology discussed on p.206?

Answer: The working group is a task force on archeology composed of archeologists or historic preservation personnel from bureaus within the Department of Interior. Established in 1983 by the Secretary to help draft regulations for the Archeological Resources Protection Act, the function of the task force was expanded by Secretary Hodel in 1986 to assist, on a continuing basis, in projects and programs to improve the Department's ability to protect and manage archeological resources. The task force activities are coordinated by the Departmental Consulting Archeologist, who is also the Assistant Director, Archeology, National Park Service.

Question: Please provide a program summary for the record.

Answer: Several statutes direct the Secretary of the Interior to lead and coordinate Federal archeological activities. This function is performed for the Secretary by the Departmental Consulting Archeologist (DCA) and the Archeological Assistance Division (AAD), National Park Service. Leadership in this function is accomplished by preparing regulations that implement statutes concerning archeology. At present, two sets of regulations are being prepared. 36 CFR 79, dealing with the curation of Federal archeological collections, and 36 CFR 66, dealing with the agency reporting requirements. The latter activity is one that the Departmental task force will be involved in. Leadership also is shown through the production and dissemination of useful technical information to improve the ability of Federal agencies to preserve and manage archeological resources. Leadership is further shown in the preparation of the Secretary's Annual Report to Congress on Federal archeological activities, including recommendations for improvements of the archeological program.

Coordination activities include the development and operation of the National Archeological Database and two clearinghouses for archeological information, one concerning prosecutions of cases of archeological vandalism and looting, the other concerning archeological public education efforts. These formal information exchange programs are supplemented by "ad hoc" sharing of information through daily telephone contacts and presentations to meetings of cultural resource specialists and program managers within and outside the Department. Other coordination activities involve technical assistance to other agencies that do not have appropriate professional archeological staff to meet their statutory requirements for archeological resource management. Technical assistance ideally is provided at a programmatic rather than a project level.

CONSTRUCTION

Question: Please provide the most recent construction priority list for the record.

Answer: The most recent construction priority list follows:

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
001.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	REHABILITATE PURCHASED CONCESSION FACILITIES	2000
005.0	GRAND CANYON NATIONAL PARK	GRAND CAN. VIL.	REPLACE WATER DISTRIBUTION SYSTEM-VILLAGE AREA	2650
009.0	SHENANDOAH NATIONAL PARK	SOUTH DISTRICT	RECONSTRUCT SKYLINE DRIVE	10000
034.0	GATEWAY NRA	GREAT KILLS	REHABILITATE GREAT KILLS SEAWALL AND BATHHOUSE	4144
041.0	CATOCTIN MOUNTAIN PARK	PARK GENERAL	CORRECT SEWAGE DEFICIENCIES, WEST SIDE	3129
043.0	YOSEMITE NATIONAL PARK	PARK GENERAL	RECONSTRUCT FAILING ELECTRICAL SYSTEM	542
048.0	CAPE HATTERAS NS	PARK GENERAL	CAPE HATTERAS LIGHTHOUSES STABILIZATION	4100
050.0	SITKA NHP	PARK GENERAL	RESTORE THE RUSSIAN MISSION (BISHOP'S HOUSE)	1289
070.5	SEQUOIA NATIONAL PARK	CLOVER CREEK	REPLACE GIANT FOREST VISITOR FACILITIES	13785
070.6	SEQUOIA NATIONAL PARK	GRANT GROVE	MOVE NPS FACILITIES FOR CONCESSIONS DEVELOPMENT	706
080.5	BRYCE CANYON NP	HEADQUARTERS	EXTEND UTILITIES FOR 72 NEW LODGING UNITS	405
081.0	CANAVERAL NATIONAL SEASHORE	PARK GENERAL	CONSTRUCT BEACH COMFORT STATIONS (24 UNITS)	314
084.0	GRAND CANYON NATIONAL PARK	NORTH RIM	REPLACE EXISTING POWER DISTRIBUTION SYSTEM.	5
085.0	KLONDIKE GOLDRUSH NHP	SKAGWAY	STABILIZE RESTORE DEPOT HISTORIC BLDG.	3255
086.0	HARPERS FERRY NHP	PARK GENERAL	PROVIDE SAFE VISITOR ACCESS CONTACT STATION	2775
089.0	WUPATKI AND SUNSET CRATER	PARK GENERAL	RECONSTRUCT PORTIONS OF LOOP ROAD - RTE. 545	7560
090.0	MESA VERDE NATIONAL PARK	PARK GENERAL	CONSTRUCT WATER TREATMENT PLANT	5748
105.0	SLEEPING BEAR DUNES NL	PLATTE RIVER	REHABILITATE UTILITIES & CAMPSITES-PLATTTE RIVER	7450
106.5	CHICKASAW NRA	TRAVERTINE DIST	REHABILITATE POLLUTING SEWER MAINS & MANHOLES	870
107.1	FORT SMITH NHS	PARK GENERAL	PROVIDE SAFE PEDESTRIAN RAILROAD CROSSING	197
108.5	GEORGE WASHINGTON MEMORIAL PKWY	DAINGERFIELD IS	REHABILITATE FACILITIES CONCESSIONS SUPPORT.	1446

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
109.0	BLUE RIDGE PARKWAY	PARKWAY GENERAL	PROVIDE TUNNEL LININGS AND PORT	4407
112.0	NATIONAL CAPITAL PARKS-EAST	FT. MCNAIR	REHAB FT. MCNAIR AND BUZZARD POINT MARINAS	5100
114.5	VANDERBILT MANSION NHS	VANDERBILT MAN.	RECONSTRUCT UNSAFE ROUTE 9 BRIDGE	1669
115.0	OZARKS NAT SCENIC RIVER	AKER'S FERRY	RELOCATE CAMPGROUND, CONCESSION FACILITIES, ETC.	7540
116.0	DELAWARE WATER GAP NRA	PARK GENERAL	CONSTRUCT VISITOR USE FACIL.,RDS.,TRAILS, PKING.	2520
117.0	EUGENE O'NEILL NSH	PARK GENERAL	CONNECT WATER & SEWER W/PUBLIC UTILITY DISTRICT	593
118.0	WOLF TRAP FARM PARK	PARK GENERAL	PROVIDE SANITARY FACILITY FOR VISITOR HEALTH	2000
119.0	NORTH CASCADES NATIONAL PARK	FIELD POINT	CONSTRUCT PARKING AND INFORMATION SERVICES	760
120.0	BANDELIER NATIONAL MONUMENT	FRIJOLES MESA	CONSTRUCT MAINTENANCE STORAGE FACILITIES	2305
121.0	PETRIFIED FOREST NP	PARK GENERAL	CONSTRUCT WATER TREATMENT FAC. & MAIN WATER LINE	4984
121.5	REDWOOD NATIONAL PARK	DEL NORTE	CORRECT UNSAFE CAMPING, FRESH WATER LAGOON	24
124.0	MOUNT RAINIER NATIONAL PARK	SUNRISE	REHABILITATE SUNRISE LODGE TO MEET PRESENT CODES	2729
127.0	FORT MCHENRY NM	PARK GENERAL	REHABILITATE 4,000 FEET OF HISTORIC SEAWALL	901
130.0	DEATH VALLEY NATIONAL MONUMENT	WILDROSE	REPAIR WILDROSE AND THORNDYKE WATER SYSTEM	350
130.0	ALASKA REGIONAL	PARK GENERAL	CRITICAL HOUSING PROGRAM	1277
131.0	CRATER LAKE NATIONAL PARK	PARK GENERAL	REPAIR & CONST REPLACEMENT FOR CRATER LAKE LODGE	15553
133.0	NATIONAL CAPITAL PARKS-CENTRAL	PARK GENERAL	CORRECT DEFECTS, LINCOLN CIRCLE APPROACH BRIDGE	4460
134.0	SPRINGFIELD ARMORY NHS	PARK GENERAL	REHABILITATE HISTORIC STRUCTURE	5341
135.5	ACADIA NATIONAL PARK	PARK GENERAL	REHABILITATE PARKWIDE ROAD SYSTEM	1664
136.0	GEORGE WASHINGTON MEMORIAL PKWY	PARK GENERAL	REHAB. UNSAFE BUILDINGS, GLEN ECHO PARK	3425
136.5	NATIONAL CAPITAL PARK - CENTRAL	MALL	FINISH CONSTRUCTING SCULPTURE GARDENS	4000

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
137.0	DELAWARE WATER GAP NRA	PARK GENERAL	REHAB. 4 BLDG & 1.9 MI TRAIL W/40 CAR PKING AREA	1033
138.0	GATEWAY NRA	JAMAICA BAY UT.	RESOURCE RDS. PKING, REHAB. BLDG. & GRDS. PKWIDE	5543
140.5	JOHN D. ROCKEFELLER PARKWAY	PARK GENERAL	EXPAND UTILITIES FOR CONCESSIONS DEVELOPMENT	648
141.0	BIG BEND NATIONAL PARK	CHISOS BASIN	CONSTRUCT VISITOR CONTACT STATION	890
143.0	GULF ISLANDS NATIONAL SEASHORE	PERDIDO KEY	REPLACE COMFORT STATIONS AND DAY USE FACILITIES	2654
143.5	GLEN CANYON NP	BULLFROG BASIN	CONSTRUCT CONCESSIONS SUPPORT FACILITY	3300
144.0	SLEEPING BEAR DUNES N. L.	GLEN LAKE	REHABILITATE FACILITIES, STOCKING SCENIC DRIVE	3025
145.5	GLEN CANYON NRA	WAHWEAP	EXPAND MARINE FACILITIES - WAHWEAP	7346
145.6	NORTH CASCADES NP	PARK GENERAL	REPLACE BRIDGE CREEK BRIDGE	510
146.0	UPPER DELAWARE SCENIC AND REC.	PARK GENERAL	REHABILITATE ROEBLING BRIDGE	2620
147.0	JOHNSTOWN FLOOD NHP	PARK GENERAL	CONSTRUCT VISITOR FACILITY, UTILITIES, RDS. PKG.	4946
149.0	OZARK NATIONAL SCENIC RIVERWAYS	ALLEY SPRING	RESTORE ALLEY MILL AND DAM	1191
150.0	FREDERICKSBURG NMP	PARK GENERAL	STABILIZE 7 HISTORIC STRUCTURES	600
151.0	GRAND CANYON NATIONAL PARK	INDIAN GARDENS	TERTIARY SEWAGE TREATMENT AND COLLECTION SYSTEM	2055
153.0	CANYONLANDS NATIONAL PARK	PARK GENERAL	CONST VISITOR & PARK SUPPORT FACILS-2 DISTRICTS	9945
154.0	WILLIAM HOWARD TAFT NAT HIS SITE	PARK GENERAL	COMPLETE INTERIOR RESTOR., TAFT HOME, WIHO-C1	1682
156.0	WRANGELL-ST. ELIAS NP & PRESERVE	GLENNALLEN	CONSTRUCT EMPLOYEE HOUSING - PHASE I	607
157.0	GOLDEN GATE NRA	MARIN HEADLANDS	CONSTRUCT NEW SEWAGE SYSTEM	2451
158.0	VOYAGEURS NATIONAL PARK	KETTLE FALLS	REHAB HIST. HOTEL, CONST LODGING AND UTILITIES.	2825
159.0	GATEWAY NRA	SANDY HOOK	REHAB SANDY HOOK ROADS	550
160.0	DENALI NATIONAL PARK	RILEY CREEK	CONSTRUCT VISITOR ACCESS CENTER	4871

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
161.0	BLUE RIDGE PARKWAY	PARKWAY GENERAL	REHAB DAM REPAIRS, JULIAN PRICE, TROUT, & BASS	4338
162.0	BRYCE CANYON NATIONAL PARK	BRYCE CAN LODGE	REHABILITATE BRYCE CANYON LODGE	1800
163.0	MARTIN VAN BUREN	PARK GENERAL	REHAB HISTORIC STRUCTURES	928
164.0	RMR--REGIONWIDE	PARKS GENERAL	REBUILD FLOOD DAMAGED ROADS & CULVERTS (6 PARKS)	625
165.0	ASSATEAGUE ISLAND NAT SEASHORE	PARK GENERAL	IMPROVE NORTH BEAD DAY USE FAC. & CAMPGROUND	1235
167.0	GRAND CANYON NATIONAL PARK	PARK GENERAL	RECONST SOUTH ENTRANCE ROAD & ASSOC. CENTER ROAD	33416
168.0	DENALI NATIONAL PARK & PRES	PARK GENERAL	REHAB MILE 0 TO SAVAGE PINE PRIDGE	5039
170.0	NATIONAL CAPITOL PARKS--EAST	SUITLAND PKWY	UPGRADE VISUAL QUALITY/SAFETY-SUITLAND PARKWAY	12655
171.0	YOSEMITE NATIONAL PARK	EL PORTAL	IMPLEMENT THE YOSEMITE MASTER PLAN	835
172.0	MARTIN LUTHER KING, JR., NHS	PARK GENERAL	PROVIDE INITIAL FACILITIES - REHABILITATION	7749
173.0	BOSTON AFRICAN AMERICAN NHP	PARK GENERAL	REHABILITATE MEETING HOUSE	515
174.0	NATIONAL CAPITOL PARKS--CENTRAL	LINC/JEFF MEM	PRESERVE LINCOLN AND JEFFERSON MEMORIALS	4280
175.0	FOSSIL BUTTE NATIONAL MONUMENT	HEADQUARTERS	CONSTRUCT PERMANENT VISITOR /HQ FACILITY	6499
176.0	SEQUOIA NATIONAL PARK	PARK GENERAL	REHABILITATE PARK ROADS	3500
178.0	AMISTAD RECREATION AREA	PECOS RIVER	RECONSTRUCT BOAT LAUNCH RAMP	1142
179.0	GRAND CANYON NATIONAL PARK	PARK GENERAL	CONST 68 FAMILY RESIDENCES, CANYON VILLAGE	2539
180.0	FRIENDSHIP HILL NAT HIST SITE	PARK GENERAL	PRESERVE/REHABILITATE GALLATIN HOUSE	3100
181.0	CUYAHOGA VALLEY NAT REC AREA	V. KENDALL UNIT	REHAB DETERIORATING WATER & SEWER SYSTEMS	917
182.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	REBUILD PORTIONS-THUMB-OLD FAITHFUL ROAD	6177
183.0	ISLE ROYALE NATIONAL PARK	ROCK HARBOR	REPLACE INADEQUATE SEWAGE TREATMENT PLANT	532
184.0	BOSTON NATIONAL HISTORICAL PARK	OLD STATE HOUSE	REHABILITATE OLD STATE HOUSE-PHASE II	4776

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
185.0	GUADALUPE MOUNTAINS NAT PARK	PINE SPRING	CONSTRUCT HEADQUARTRS & VISITOR SERVICES COMPLEX	3836
186.0	GATEWAY NRA	SANDY HOOK	CONSTRUCT BEACH CENTERS, PARKING, UTILITIES	3635
187.0	CAPE LOOKOUT NATIONAL SEASHORE	CORE BANKS	REPLACE DETERIORATED FISH CAMP STRUCTURES	3482
188.0	SHILOH NATIONAL MILITARY PARK	PARK GENERAL	STABILIZE RIVERBANK (TENESSEE RIVER)	3929
190.0	ROCKY MOUNTAIN NATIONAL PARK	GRAND LAKE	REPLACE TRAILERS WITH 16 APARTMENTS	1443
191.0	VOYAGEURS NATIONAL PARK	BLACK BAY	CONST 2 MILES OF VISITOR CENTER ACCESS ROAD	1873
192.0	HOT SPRINGS NATIONAL PARK	PARK GENERAL	REHABILITATE BATHHOUSE ROW	207
193.0	KENAI FJORDS NATIONAL PARK	PARK GENERAL	CONSTRUCT VISITOR FACILITIES AT EXIT GLACIER	561
194.0	BISCAYNE NATIONAL PARK	CONVOY POINT	REPLACE TEMPORARY AND VISITOR SUPPORT FACILITIES	5557
195.0	GEORGE WASHINGTON MEM PARKWAY	THEO ROOSE ISL	CONSTRUCT CRITICAL LINK IN COMMUTER BIKE TRAIL	1850
196.0	LOWELL NATIONAL HISTORICAL PARK	PARK GENERAL	REHABILITATE BOOTT MILL COMPLEX	4589
197.0	GATEWAY NRA	PARK GENERAL	REHABILITATE DETERIORATED UTILITY SYSTEM	6557
198.0	ST. CROIX NATIONAL SCENIC RIVER	PARK GENERAL	REPLACE FIVE UNSAFE WATER SYSTEMS IN PARK	317
199.0	GEORGE WASHINGTON MEM PARKWAY	GREAT FALL PARK	PRESERVE HISTORIC POTOMMACK CANAL	3176
200.0	JOSHUA TREE NATIONAL MONUMENT	PARK GENERAL	RECONSTRUCT UNSAFE/ NARROW PARK ROADS	1032
202.0	EISENHOWER NAT HISTORIC SITE	PARK GENERAL	INSTALL WATER & FIRE SUPPRESSION SYSTEM	369
203.0	GETTYSBURG NAT MILITARY PARK	PARK GENERAL	INSTALL WATER & FIRE PROTECTION	705
204.0	GLACIER NATIONAL PARK	PARK GENERAL	REHAB SPERRY CHALET, LAKE MCDONALD DORMS	1200
205.0	EDISON NATIONAL HISTORIC SITE	PARK GENERAL	REHAB INTERIOR OF EDISON HOME	285
206.0	GATES OF THE ARCTIC NP & PRESERV	PARK GENERAL	CONSTRUCT RADIO SYS. FOR MGMT. & EMER. OPER.	348
207.0	NORTHWEST ALASKA AREAS	GENERAL	DEVELOPE AREA WIDE RADIO SYSTEM	151

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
208.0	JOHN DAY FOSSIL BEDS NM	SHEEP ROCK UNIT	CONSTRUCT VISITOR CENTER AND EXHIBITS	1723
209.0	GLACIER NATIONAL PARK	GOING-TO-THE-SU	REBUILD 50-MILE GOING-TO-THE-SUN ROAD	13700
210.0	BOSTON NATIONAL HISTORICAL PARK	PARK GENERAL	REHABILITATE FANEUIL HALL	1528
211.0	LAKE MEAD NAT RECREATION AREA	PARK GENERAL	RELOCATE LAKESHORE ROAD ROUTE 2	4275
212.0	GEORGE WASHINGTON MEMORIAL PKWY	PARK GENERAL	UPGRADE VISUAL QUALITY SAFETY-GWMP	13120
214.0	KALAUPAPA NAT HISTORICAL PARK	PARK GENERAL	RECONSTRUCT WATER SYSTEM, KALAUPAPA-WAIKDA	4320
215.0	COLONIAL NAT HISTORICAL PARK	JAMESTOWN ISLAN	SHORELINE PROT ALONG JAMES RIVER-1,500 LF	642
216.0	BUFFALO NATIONAL RIVER	PARK GENERAL	IMPROVE RIVER CAMPSITES, LAUNCHES AND ROADS	1901
217.0	CUMBERLAND ISLAND NAT SEASHORE	ST MARY'S V FAC	CONSTRUCT VISITOR CENTER COMPLEX AND PARKING	3641
218.0	ANDERSONVILLE NAT HISTORIC SITE	PARK GENERAL	CONST VC, ENTRANCE ROAD & PARKING, & MAINT AREA	5328
219.0	NORTHWEST ALASKA AREAS	KOTAEBUE	DEVELOP COOPERATIVE AIRCRAFT OPERATIONS FAC.	1098
220.0	WAR IN THE PACIFIC NAT HIST PARK	PARK GENERAL	INITIAL DEV. APACA, GAAN POINT, AGAT, ASAN BEACH	1560
222.0	NATIONAL CAPITOL PARKS--CENTRAL	WASHINGTON MON	REDEVELOP WASHINGTON MONUMENT GROUNDS	5161
223.0	NEZ PERCE NATIONAL HISTORIC PARK	SPALDING	REPLACE LAPWAI CREEK BRIDGE	25
224.0	HAWAII VOLCANOES NATIONAL PARK	KALAPANA	CONST GOAT/PIG FENCE FOR RESOURCE PROTECTION	126
225.0	WOMEN'S RIGHTS NAT HIST PARK	PARK GENERAL	REHABILITATE WESLEYAN CHAPEL	328
226.0	JEFFERSON NAT EXPAN MEM NHS	PARK GENERAL	INSTALL LIFE SAFETY & HANDICAPPED ACCESS IMP.	525
227.0	HUBBELL TRADING POST NHS	PARK GENERAL	DEVELOP NEW CURATORIAL STORAGE	848
228.0	KATMAI NATIONAL PARK	KING SALMON	PLAN & DEVELOP PERMANENT HEADQUARTERS EXPANSION	4611
229.0	GRAND TETON NATIONAL PARK	MOOSE	REPLACE COLLAPSED ROOF AND REHAB VISITOR CENTER	1024
230.0	CASTILLO DE SAN MARCOS NAT MON	PARK GENERAL	STABILIZE FORT, REPLACE FEE BOOTH	2765

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
231.0	HAMILTON GRANGE NAT MONUMENT	PARK GENERAL	REHABILITATE HAMILTON GRANGE, PHASE 11	1125
232.0	ALLEGHENY PORTAGE RAILROAD NHS	PARK GENERAL	STABILIZE 4 HIST BLDGS, 13 HIST STRUCTURES	2921
233.0	COLONIAL NAT HISTORICAL PARK	PARK GENERAL	REHAB 7 BRIDGES, PAVE. REPAIR/REPLACE COLO PKWY	6120
234.0	SLEEPING BEAR DUNES NAT LAKESHRE	N. MANITOU IS	REPL DETERIORATED DOCK TO IMPROVE VISITOR ACCESS	1360
235.0	GRAND CANYON NATIONAL PARK	PARK GENERAL	DEVELOP NORTH RIM TRANSEPT CANYON & BRIGHT ANGEL	2950
237.0	SHENANDOAH NATIONAL PARK	LOFT MOUNTAIN	SUPPL WATER SUPPLY INCL WELL, PUMPS, ACCESS ROAD	219
238.0	CANAVERAL NATIONAL SEASHORE	PLAYALINDA BEAC	CONST. ALTERNATE ACCESS TO PLAYALINDA EXPANDED	5040
239.0	GLACIER BAY NATIONAL PARK & PRES	BARTLETT COVE	DEVELOP BARTLETT COVE	9932
240.0	GRAND CANYON NATIONAL PARK	NORTH RIM	REHABILITATE NR WATER SYSTEM--PHASE 2	3924
241.0	NATIONAL CAPITOL PARKS--EAST	FORT WASHINGTON	PRESERVE HISTORIC FORT WASHINGTON	9408
242.0	DENALI NATIONAL PARK & PRESERVE	PARK GENERAL	SEWER FACILITIES--HEADQUARTERS	454
243.0	BIG BEND NATIONAL PARK	PARK GENERAL	RECONSTRUCT MAJOR PARK ROADS	28368
244.0	GATEWAY NRA	BREEZY POINT	STABILIZE JACOB RIIS BATHHOUSE AND PARK	4621
245.0	GLEN CANYON NAT RECREATION AREA	BULLFROG BASIN	FINISH BULLFROG & HALLS ROAD SYSTEMS-20 MILES	5664
246.0	INDEPENDENCE NAT HIST PARK	PARK GENERAL	REPAIR/REPLACE UNSAFE WALLS, WALKS INDE MALL	1495
247.0	APOSTLE ISLANDS NL	MICHIGAN ISLAND	CONSTRUCT SAFE PUBLIC DOCK ON MICHIGAN ISLAND	281
248.0	VIRGIN ISLANDS NATIONAL PARK	CRUZ BAY-ST.JOH	REHABILITATE STRUCTURE FOR VISITOR CENTER	2009
249.0	GEORGE WASHINGTON MEM PARKWAY	ARLINGTON HOUSE	SECURITY & CLIMATE CONTROL--ARHO FURNISHINGS	1984
250.0	BOSTON NATIONAL HISTORICAL PARK	PARK GENERAL	REHAB BLDG 28 AND RELOCATE PRESERVATION LAB	3262
252.0	HALEAKALA NATIONAL PARK	KIPAHULU	DEVELOP KIPAHULU POTABLE WATER SYSTEM	1372

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
253.0	LAKE MEREDITH RECREATION AREA	SANFORD-YAKE	CONNECT TO FRITCH CITY WATER SYSTEM	473
254.0	DENALI NATIONAL PARK	SOUTH SIDE	DEVELOP SOUTH SIDE OF DENALI-JOINT WITH STATE	2200
255.0	PICTURED ROCKS NAT LAKESHORE	PARK GENERAL	UPGRADE ROADS AND PARKING AREAS	350
256.0	NORTH CASCADES NATIONAL PARK	STEHEKIN	RECONSTRUCT STEHEKIN VALLEY ROAD	550
257.0	GOLDEN GATE NAT RECREATION AREA	CLIFF HOUSE	CONSTRUCT PUBLIC REST ROOMS	317
258.0	BUFFALO NATIONAL RIVER	TYLER BEND	DEVELOP PUBLIC USE AND OPERATIONS FACILITIES	4503
260.0	HARRY S. TRUMAN NAT HIST SITE	TRUMAN HOUSE	STABILIZE/RESTORE HIST. CARRIAGE HOUSE(HST-C103)	135
261.0	LAKE MEREDITH RECREATION AREA	PARK GENERAL	RECONSTRUCT ACCESS ROADS AND PARKING AREAS	1253
262.0	AGATE FOSSIL BEDS NAT MONUMENT	HEADQUARTERS	CONSTRUCT VISITOR CENTER/ADMINISTRATION BLDG	3712
263.0	GEORGE WASHINGON MEM PARKWAY	PARK GENERAL	REPAIR WASHINGTON BOULEVARD BRIDGE	1000
264.0	EVERGLADES NATIONAL PARK	FLAMINGO	REPLACE PARKWIDE SEASONAL HOUSING	418
265.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	GRANT VILL. HOUSING & REPLACE TEMPORARY HOUSING	4265
266.0	GETTYSBURG NAT MILITARY PARK	PARK GENERAL	REHABILITATION OF PARK ROADS (20 MILES)	8357
267.0	GRAND TETON NATIONAL PARK	PARK GENERAL	REHAB CABINS, DORMS, CORRALS, & JENNY LAKE STORE	600
268.0	PICTURED ROCKS NAT LAKESHORE	AU SABLE POINT	RESTORE CRUMBLED/BREACHED SEAWALL (HIST.LT.HSE.)	2351
269.0	LASSEN VOLCANIC NATIONAL PARK	PARK GENERAL	RELOCATE & CONST NPS VIS FACIL, MANZANITA LAKE	11991
271.0	KLONDIKE GOLD RUSH NHP	CHILKOOT TRAIL	DEVELOP CHILKOOT TRAIL UNIT	496
272.0	SHENANDOAH NATIONAL PARK	HEADQUARTERS	CONSTRUCT FIRE ALARM SYSTEM, HEADQUARTERS	108
273.0	VIRGIN ISLANDS NATIONAL PARK	PARK GENERAL	RECONSTRUCT NORTH SHORE AND LAMESHUR ROADS	3330
274.0	OLYMPIC NATIONAL PARK	QUINAULT	REPAIR BRIDGE AT LAKE QUINAULT, KESLER & CANOE	268
275.0	HOT SPRINGS NATIONAL PARK	PARK GENERAL	REHABILITATE PARK ROADS	1199

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
276.0	MOUNT RAINIER NATIONAL PARK	PARADISE	REHABILITATE SKI DORM--PARADISE	1152
277.0	BLACK CANYON OF THE GUNNISON	SOUTH RIM	REPLACE TEMP.VIS.CTR., ADD CONCESSION, ADM SPACE	5131
278.0	DENALI NATIONAL PARK & PRESERVE	PARK GENERAL	CONSTRUCT POLYCHROME PASS COMFORT STATION	349
279.0	MOUND CITY GROUP NAT MONUMENT	PARK GENERAL	CONST. CURATORIAL FACILITY-PREVENT RES. DETERIOR	1054
280.0	CANYON DE CHELLY NM	HEADQUARTERS	CONSTRUCT TWO COMFORT STATIONS.	322
281.0	NATIONAL CAPITOL PARKS-CENTRAL	WASH MONUMENT	UPGRADE VISUAL QUALITY/SAFETY ON 15TH STREET	1080
282.0	DELAWARE WATER GAP NRA	PARK GENERAL	COM STA.,UTIL.SYSTEM,PICNIC & TRAIL IMPROVEMENTS	830
283.0	PU'UHONUA O HONAUNAU NHP	PARK GENERAL	CONSTRUCT ADMINISTRATION BUILDING	1236
284.0	GULF ISLANDS NAT SEASHORE	FORT PICKENS	REPAIR FORT PICKENS,BAT.PENSACOLA,LANGDON,WORTH	1742
285.0	NATCHEZ TRACE PARKWAY	PARK GENERAL	CONSTRUCT PARKWAY & RELATED FACILITIES	82719
286.0	FOOTHILLS PARKWAY, G.S.M.N.P.	PARK GENERAL	CONST FOOTHILLS PARKWAY AND RELATED FACILITIES	25887
287.0	FIRE ISLAND NATIONAL SEASHORE	WILLIAM FLOYD	REHAB WILLIAM FLOYD ESTATE, ROADS & PARKWAY	87
288.0	GRAND PORTAGE NATIONAL MONUMENT	PARK GENERAL	REPL INADEQUATE MAINT FAC & CONST VIS CONTACT ST	3480
289.0	PEA RIDGE NAT'L MILITARY PARK	PARK GENERAL	CONSTRUCT MAINTENANCE STORAGE BLDG. WITH HOIST	170
290.0	SARATOGA NATIONAL HISTORICAL PK	PARK GENERAL	REHAB ENTRANCE ROAD AND FOUR BRIDGES	627
291.0	GOLDEN GATE NATIONAL PARK	PARK GENERAL	INSTALL CONZELMAN ROAD GUARD RAILS	150
292.0	YUKON-CHARLEY RIVER NAT PRES	EAGLE	CONSTRUCT BOAT DOCK & STORAGE FACILITY, EAGLE	170
293.0	GEORGE WASHINGTON MEM PARKWAY	PARK GENERAL	REPLACE CONDEMED PARKWAY & MAINTENANCE FACILITY	3144
294.0	LAKE MEREDITH RECREATION AREA	PARK GENERAL	REPLACE SUBSTANDARD COMFORT STATIONS	1249
295.0	OLYMPIC NATIONAL PARK	BARNES POINT	EXTEND WATER AND SEWER SYSTEMS	790
296.0	BANDELIER NATIONAL MONUMENT	UPPER FRIJOLES	CONSTRUCT FENCE ON NEWLY ACQUIRED LANDS	329

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
297.0	SCOTTS BLUFF NATIONAL MONUMENT	PARK GENERAL	ABATE ROCKSLIDE HAZARD-REPAIR SURFACE, SUMMIT RD	3502
299.0	PUUKOHALA HEIAU NAT HIST SITE	PARK GENERAL	RELOCATE ROAD TO PROTECT HISTORIC STRUCTURES	61
300.0	LAKE MEAD NAT RECREATION AREA	PARK GENERAL	STABALIZE SHOULDERS OF NORTH SHORE ROAD	435
301.0	WRANGELL-ST.ELIAS NP/P	PARK GENERAL	CONSTRUCT VIS CTR AND HEADQUARTERS COMPLEX	759
302.0	EVERGLADES NATIONAL PARK	PARK GENERAL	RESURFACE MAIN PARK ROAD, 45 MILES	4270
303.0	FRED-SPOT NAT MILITARY PARK	FREDERICKSBURG	NATIONAL CEMETERY REHAB WALLS,WALKS,DRIVES,GRDS	489
304.0	GATEWAY NRA	SANDY HOOK	CONSTRUCT FORT HANCOCK, GATEWAY VILLAGE	9149
305.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	REHABILITATE CONCESSION SITE ROADS & PARKING	967
306.0	BUFFALO NATIONAL RIVER	PRUITT	DEVELOP PUBLIC USE AND OPERATIONS FACILITIES	1813
307.0	CAPE HATTERAS NAT SEASHORE	OCRACOKE CENTRA	CONST OCRACOKE VISITOR CENTER & SUPPORT FAC.	997
308.0	GREAT SMOKY MOUNTAINS NAT PARK	DEEP CREEK	CONST INTERP CENTER, PICNIC AREA, ROADS & UTILS	3576
309.0	HERBERT HOOVER NAT HIST SITE	HOOVER HOUSE	REVAMP INADEQUATE PROTECTIVE SYSTEMS IN HIST.BLD	231
310.0	GRAND PORTAGE NAT MONUMENT	PARK GENERAL	STABILIZE ERODING SHORELINE TO PRESERVE MONUMENT	189
311.0	FRED SPOT NAT MILITARY PARK	PARK GENERAL	BOUNDARY MANAGEMENT, CONTROL SYSTEM 20 MILES	442
312.0	JOHN MUIR NAT HISTORIC SITE	PARK GENERAL	REMODEL/ENLARGE VC/ADMINISTRATION BUILDING	641
313.0	WHITE SANDS NATIONAL MONUMENT	PARK GENERAL	CONSTRUCT NEW MAINTENANCE/STORAGE BUILDING	1041
315.0	LASSEN VOLCANIC	SOUTHWEST DEV.	REHABILITATE SULPHUR WORK WATER SYSTEM	857
316.0	COULEE DAM NAT RECREATION AREA	KELLER	REHAB VISITOR FACILITIES KELLER FRY/PORC BAY CG	2738
317.0	CAPE LOOKOUT NATIONAL SEASHORE	HARKERS ISLAND	REPLACE TEMP.VIS CONT/ADMIN, MAINT, REHAB MARINA	5393
318.0	MT. RAINIER NATIONAL PARK	LONGMIRE	REHAB LONGMIRE HOTEL ROOMING FACILITY	1259
319.0	JAMES GARFIELD NAT HIST SITE	GARFIELD HOUSE	RESTORE EXTERIOR & PROVIDE PROTECTIVE SYSTEMS	950

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
320.0	ZION NATIONAL PARK	SOUTH ENTRANCE	RECONST. ROADWAY/PARKING AREA & INSTALL KIOSK	1698
321.0	NEW RIVER GORGE NATIONAL RIVER	PARK GENERAL	HEADQUARTERS DEVEL--RDS,PKING,UTILS,GRDS	2600
322.0	LAKE CLARK NATIONAL PARK/PRES.	PARK GENERAL	CONSTRUCT OUTPOST RANGER STATION-STONY RIVER	154
323.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	FINAL SURF. OLD FAITHFUL, LAKE, W. THUMB BYPASS	536
324.0	EFFIGY MOUNDS	PARK GENERAL	PREVENT EROSION OF ARCHEO. RESOURCE - SNY MAGILL	66
325.0	LAKE MEAD NAT RECREATION AREA	CALLVILLE BAY	ENLARGE SEWER LAGOON AT CALLVILLE BAY	423
326.0	CEDAR BREAKS NATIONAL PARK	PARK GENERAL	REHAB VISITOR CENTER, CAMPGROUND & HIST. BLDGS.	2425
327.0	BLUE RIDGE PARKWAY	LINVILL FALLS	REPAVING & REPAIR 2 BRIDGES LINVILLE FALLS SPUR	625
328.0	GATEWAY NRA	JAMICA BAY	REHAB FLOYD BENNETT FIELD (GATEWAY VILLAGE)	29156
329.0	CATOCTIN MOUNTAIN PARK	PARK GENERAL	REHABILITATE CATOCTIN PARK ROAD SYSTEM	1515
330.0	AMISTAD RECREATION AREA	PARK GENERAL	RECONSTRUCT ROADS	272
331.0	SHENANDOAH NATIONAL PARK	SKYLAND	REHAB INFRASTRUCT FOR CONCESS EXP & RELATED FAC	1637
332.0	ROCK CREEK PARK	ROCK CREEK PWY.	UPGRADE VISUAL QUALITY SAFETY ROCK CKEEK PWY.	3910
333.0	WRIGHT BROTHERS NAT MONUMENT	PARK GENERAL	CONST AUDITORIUM ADDITION TO VISITOR CENTER	1205
334.0	MOUNT RAINIER NATIONAL PARK	PARK GENERAL	REHAB HIGHWAYS 123 AND 410	4402
335.0	CUYAHOGA VALLEY NAT REC AREA	OAK HILL	COMPLETE CONSTRUCTION ON OAK HILL DAY-USE AREA	576
336.0	GLACIER BAY NATIONAL PARK	PARK GENERAL	REPAIR AND SURFACE MAIN ROAD	4411
337.0	SLEEPING BEAR DUNES NL	GLEN LAKE	REHABILITATE D. H. DAY CAMPGROUND	4618
337.5	NCP CENTRAL	PARK GENERAL	ENHANCE MON. QUALITY/INTERGRITY LINCOLN MEM.	4585
338.0	BOSTON NAT HISTORICAL PARK	NAVY YARD	REHAB ROPE WALK BLDG #5 TAR HOUSE BLDG #60	2444
339.0	GREAT SMOKY MOUNTAINS NAT PARK	OCONALUFTEE	CONSTRUCT VISITOR CENTER AND APPURTENANCES	3203

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
340.0	LAKE MEAD NATIONAL REC AREA	PARK GENERAL	CONSTRUCT COMFORT STATIONS, VARIOUS LOCATIONS	348
341.0	MT. RAINIER NATIONAL PARK	CARBON RIVER	IMPROVE UTILITY SYSTEMS AND FACILITIES	1862
342.0	HAWAII VOLCANOES NATIONAL PARK	PARK GENERAL	CONST 1,250,000-GAL WATER STORAGE TANK, KILUAEA	122
343.0	LINCOLN HOME NAT HIST SITE	PARK GENERAL	STABILIZE/RESTORE COOK & DEAN HIST. HOUSES	335
344.0	FORT JEFFERSON NAT MONUMENT	PARK GENERAL	PARTIAL FORT REHABILITATION	4895
345.0	DINOSAUR NATIONAL MONUMENT	PARK GENERAL	REHABILITATE HARPERS CORNER AND QUARRY ROADS	4480
346.0	C&O CANAL NAT HISTORICAL PARK	CULVERTS-PK GEN	UPGRADE HIST. INTEGRITY/REST.CULVERTS-C&O CANAL	1556
347.0	APOSTLE ISLANDS NAT LAKESHORE	PARK GENERAL	CONST. PUBLIC USE DOCKS, TRAILS, CAMPSITES,	719
348.0	SPRINGFIELD ARMORY NAT HIST SITE	PARK GENERAL	RESTORE HIST GROUNDS/ARSENAL & COMMANDANT'S HSE	673
349.0	CAPE LOOKOUT NATIONAL SEASHORE	CAPE LOOKOUT	REHAB VIS CONTACT/RANGER/MAINT BLDG, CONST DOCKS	1313
350.0	PETRIFIED FOREST NATIONAL PARK	PARK GENERAL	PRODUCE NEW EXHIBITS & WAYSIDES FOR PARK	895
351.0	COLONIAL NAT HISTORICAL PARK	JAMESTOWN ISLAN	REPAIR JAMESTOWN ISLAND BRIDGES	10
352.0	LYNDON B. JOHNSON NAT HIST PARK	LBJ RANCH AREA	REHABILITATE PARK ROADS	660
353.0	CAPE HATTERAS NATIONAL SEASHORE	WHALEBONE JUNCT	ADAPT USCG STATION AS WHALEBONE CONTACT STATION	901
354.0	SAINT-GAUDENS NAT HIST SITE	PARK GENERAL	REHABILITATE, ENLARGE EXISTING GALLERY SHED	144
355.0	KATMAI NATIONAL PARK & PRESERVE	BROOKS CAMP	CONSTRUCT ELEVATED BOARD WALK	144
356.0	FORT UNION TRADING POST NHS	PARK GENERAL	RECONSTRUCT FORT & ADD ADMINISTRATIVE FACILITIES	6920
357.0	GEORGE WASHINGTON MEM. PARKWAY	PARK GENERAL	REST. HIST/STRUCT/INTEGRITY-MEM AVE BR/HEMICYCLE	3144
358.0	HUBBELL TRADING POST NHS	PARK GENERAL	REPLACE TEMPORARY HOUSING W/ PERM. QUARTERS	1606
359.0	WUPATKI NATIONAL MONUMENT	WUPATKI-HEISER	CONSTRUCT EMPLOYEE QUARTERS	816
360.0	SAN JUAN ISLAND NHP	PARK GENERAL	PROVIDE INTERPRETIVE FACILITY - AMERICAN CAMP	4599

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
361.0	MANASSAS NATIONAL BATTLEFIELD	PARK GENERAL	PRESERVE HISTORIC RESOURCES AND VISITOR USE	1900
362.0	INDIANA DUNES NATIONAL LAKESHORE	WEST UNIT	CONSTRUCT ACCESS ROAD TO PARK FACILITIES. 4.2 MI	10292
363.0	DELAWARE WATER GAP NAT REC AREA	PARK GENERAL	REHABILITATE U.S. 209, RIVER RD & OLD MINE ROAD	22070
364.0	KNIFE RIVER INDIAN VILLAGES NHS	PARK GENERAL	REPLACE TEMPORARY VISITOR & MAINTENANCE FACILS.	2160
365.0	ROCK CREEK PARK	PARK GENERAL	REHAB CARTER BARRON AMPHITHEATRE	605
366.0	VANDERBILT NAT'L HISTORIC SITE	PARK GENERAL	REHABILITATE MAIN ENTRANCE, ROAD & 4 BRIDGES	576
367.0	CANAVERAL NATIONAL SEASHORE	TURTLE MOUND	CONST VIS CONTACT,MAINT FACIL, PARKING & ROADS	2703
368.0	BOSTON NATIONAL HISTORICAL PARK	PARK GENERAL	REHABILITATE MARINE FACILITIES	1544
369.0	ORGAN PIPE CACTUS NAT'L MONUMENT	PARK GENERAL	RECONSTRUCT AJO MOUNTAIN ROAD	151
370.0	VALLEY FORGE NAT HIST PARK	PARK GENERAL	REHAB GULPH RD RANGER STA ENT RD, RIVER DRIVE	580
371.0	PERRY'S VICTORY & IPM	HEADQUARTERS	CONSTRUCT VISITOR & ADMINISTRATION BUILDING	218
372.0	COULEE DAM NAT RECREATION AREA	SPRING CANYON	REPLACE DAY USE BLDGS--SPRING CYN/KETTLE FALLS	1310
373.0	SITKA NATIONAL HISTORICAL PARK	PARK GENERAL	REHABILITATE OLD SCHOOL	592
374.0	BUFFALO NATIONAL RIVER	STEEL CREEK-LOS	REHAB & IMPROVE VISITOR USE & MGMT FACILITIES	3073
375.0	PRINCE WILLIAM FOREST PARK	PARK GENERAL	IMPROVE OPERATIONS/SAFETY MAINTENANCE FACILITY	2048
376.0	YELLOWSTONE NATIONAL PARK	MADISON JUNCTI	UPGRADE WASTEWATER-TREATMENT PLANT	751
377.0	ST CROIX NAT SCENIC RIVERWAY	PARK GENERAL	REHAB RIVER ACCESS/CIRCULATION RDS. & PKING AREA	1733
378.0	GULF ISLANDS NATIONAL SEASHORE	FORT PICKENS	CONNECT WATER & SEWER TO MUNICIPAL SYSTEM (FL)	2222
379.0	DELAWARE WATER GAP NAT REC. AREA	PARK GENERAL	PARKING-CHILDS STATE PARK & RAYMONDSKILL FALLS	2228
380.0	FLORISSANT FOSSIL BEDS NAT MON	PARK GENERAL	BUILD VISITOR CENTER AND PARK SUPPORT FACILITIES	4273
381.0	NATIONAL CAPITOL PARKS--EAST	ANACOSTIA PARK	PROVIDE VISITOR COMFORT-HIGH USE RECREATION SITE	1158

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
382.0	GRAND PORTAGE NATIONAL MONUMENT	PARK GENERAL	RELOCATE ROADS TO ELIM. IMPACTS ON HIST RES.	1600
383.0	RICHMOND NAT BATTLEFIELD PARK	PARK GENERAL	REHABILITATE TOUR ROADS	2800
384.0	FIRE ISLAND NATIONAL SEASHORE	PARK GENERAL	RECONSTRUCT WEST END ROAD/LIGHTHOUSE	527
385.0	OLYMPIC NATIONAL PARK	SOL DUC	DEVELOP DAY USE AREA AND PARKING	790
386.0	BADLANDS NATIONAL PARK	PARK GENERAL	RECONSTRUCT US 16A(29.7 MILES) ENTRANCE ROAD	7858
387.0	NORTHWEST ALASKA AREAS	KOTZEBUE	DEVELOP JOINT ADMIN.PUBLIC USE FAC.(NPS,FWS,BLM)	95
388.0	GREAT SMOKY MOUNTAINS NP	PARK GENERAL	REPLACE TWO BRIDGES	1130
389.0	THEODORE ROOSEVELT BRTHPLACE NHS	PARK GENERAL	REHABILITATE MUSEUM	287
390.0	AMISTAD RECREATION AREA	PECOS CANYON	CONST RANGER STA/RESIDENCE/MAINT FAC/PICNIC AREA	846
391.0	DENALI NATIONAL PARK/PRESERVE	WONDER LAKE	REHABILITATE WONDER LAKE CAMPGROUND	499
392.0	APOSTLE ISLANDS NAT LAKESHORE	MICHIGAN ISLAND	REHAB HIST MICH. ISLAND LIGHT STATION	262
393.0	GREAT SMOKY MOUNTAINS NAT PARK	GREENBRIER	REHAB ABRAMS, BREENBRIER, BIG CREEK ROADS	893
394.0	ACADIA NATIONAL PARK	PARK GENERAL	CONST RANGER STATION/QUARTERS,ISLE AU HAUT	63
395.0	CRATER LAKE NATIONAL PARK	MUNSON VALLEY	CONSTRUCT FOUR PLEX SEASONAL HOUSING-POR.I	3018
396.0	LAKE MEAD NATIONAL PARK	PARK GENERAL	RECONSTRUCT PARK ROADS	2780
397.0	PICTURED ROCKS NAT LAKESHORE	AUSABLE POINT	REHAB CG--UPGRADE SANI-FACIL & REDUCE RES.DAMAGE	432
398.0	AMERICAN MEMORIAL PARK	PARK GENERAL	RECONSTRUCT DETERIORATED MICRO BEACH FACILITIES	942
399.0	CRATER LAKE NATIONAL PARK	RIM AREA	CONSTRUCT ROAD & PARKING AREAS-RIM VILLAGE	843
400.0	APPOMATTOX COURTHOUSE NHS	PARK GENERAL	RESTORE HISTORIC ROADS IN PARK (3 MILES)	550
401.0	BLUE RIDGE PARKWAY	SECTION 1-CD	CONSTRUCT GRADE SEPARATION STRUCTURES	1185
402.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	REHAB N.ENTRANCE ROAD, MAMMOTH-GARDINER 5.7 MI.	3556

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
403.0	ROCK CREEK PARK	PIERCE MILL	RESTORE HISTORIC PIERCE MILL	50
404.0	EDISON NATIONAL HISTORIC SITE	PARK GENERAL	ENLARGE/RELOCATE VISITOR USE/MANAGEMENT SPACE	3
405.0	HOPEWELL FURNACE NHS	PARK GENERAL	ACCESS ROAD PARKING AND GROUNDS	550
406.0	MANASSAS NAT BATTLEFIELD PARK	PARK GENERAL	CORRECT UNSAFE VISITOR ACCESS-ENHANCE EXPERIENCE	4010
407.0	GREAT SMOKY MOUNTAINS NAT PARK	SUGARLANDS	CONSTRUCT RESOURCE CENTER	3598
408.0	FORT LARNED NAT HISTORIC SITE	PARK GENERAL	REST HIST OFFICER QRTS FOR VIS USE & SUPPORT	51
409.0	DENALI NATIONAL PARK/PRESERVES	HEADQUARTERS	CONSTRUCT MAINTENANCE/STORAGE BLDG.	145
410.0	NORTH CASCADES NP COMPLEX	SKAGIT	REPAIR SKAGIT AREA ROADS	180
411.0	GOLDEN GATE NAT RECREATION AREA	PARK GENERAL	REPAIR PARKING LOT, FORT MASON	46
412.0	BIG THICKET NAT PRESERVE	PARK GENERAL	STABILIZE ROADS	1365
413.0	ROCKY MOUNTAIN NATIONAL PARK	PARK GENERAL	DEVELOP BEAR LAKE SHUTTLE SYSTEM	5151
414.0	MINUTE MAN NAT HISTORICAL PARK	PARK GENERAL	REHABILITATE WHITTEMORE HOUSE	116
415.0	ASSATEAGUE ISLAND NAT SEASHORE	PARK GENERAL	RECONSTRUCT 2.5 MILES, TOM COVE ROAD	550
416.0	ASSATEAGUE ISLAND NAT SEASHORE	PARK GENERAL	RESURFACE PARKING AREAS--CHINCOTEGUE	235
417.0	C & O CANAL NHP	PIEDMONT DISTR	REPAIR DANGEROUS BIG SLACKWATER WALL	13562
418.0	CHICKAMAUGA-CHATTANOOGA NMP	SHERMAN RESERV	REHABILITATE SHERMAN RESERVATION SLIDE	383
419.0	ISLE ROYALE NATIONAL PARK	ROCK HARBOR	REPL. GUEST HOUSE, CONC. HOUSING, ROCK HARBOR	892
421.0	JOHN DAY FOSSIL BEDS NM	SHEEP ROCK UNIT	RECONSTRUCT ROADS AND PARKING AREAS	317
422.0	LASSEN VOLCANIC NATIONAL PARK	MANZANITA LAKE	CONST NPS HOUSING AND MAINTENANCE BUILDING	4060
423.0	WUPATKI-HEISER NATIONAL MONUMENT	WUPATKI-HEISER	CONSTRUCT MAINTENANCE SHOP/STORAGE BUILDING	683
424.0	BRYCE CANYON NATIONAL PARK	PARK GENERAL	RECONSTRUCT 16-MILE RIM DRIVE, ROUTE 1	7190

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
425.0	MORRISTOWN NAT HISTORICAL PARK	PARK GENERAL	RECONSTRUCT JOCKEY HOLLOW TOUR ROAD	1519
426.0	PETERSBURG NATIONAL BATTLEFIELD	PARK GENERAL	REHABILITATE VISITOR CENTER PARKING	700
427.0	NATIONAL CAPITOL PARKS--CENTRAL	PARK GENERAL	REHAB MAINE AVENUE PEDESTRIAN WALKWAYS	232
428.0	OBED WILD & SCENIC RIVER	PARK GENERAL	CONSTRUCT OVERLOOK AND RIVER ACCESS FACILITIES	1254
430.0	KENAI FJORDS NATIONAL PARK	PARK GENERAL	REHABILITATE AND UPGRADE HARDING ICEFIELD TRAIL	74
431.0	COULEE DAM NAT. RECREATION AREA	PORCUPINE BAY	REHAB CAMPGROUND ROAD AND PARKING	382
432.0	REDWOOD NATIONAL PARK	PARK GENERAL	RECONSTUCT ACCESS RD.--ANTONIOLI'S AREA	317
433.0	BIG BEND NATIONAL PARK	RIO GRANDE VILL	EXPAND CAMPGROUND,CONSTRUCT MAINT FACS & HOUSING	1688
434.0	MOUNT RUSHMORE NAT MEMORIAL	HEADQUARTERS	RENOVATE OLD STUDIO AND INSTALL EXHIBITS	821
435.0	SALEM MARITIME NAT HISTORIC SITE	PARK GENERAL	RESTORE/DREDGE DERBY WHARF WATERFRONT	158
436.0	COLONIAL NHP	COLONIAL PKWY	PAVE AND REPAIR COLONIAL PARKWAY	1532
437.0	ROCK CREEK PARK	PARK GENERAL	REHABL ROCK CREEK PARKWAY ROAD SYSTEM	3560
438.0	CHATTAHOOCHEE RIVER NRA	PARK GENERAL	CONSTRUCT INITIAL VISITOR FACILITIES	2859
439.0	LINCOLN BOYHOOD NHS	PARK GENERAL	RELOCATE COUNTY ROADS B AND A	100
440.0	KLONDIKE GOLD RUSH NHP	SKAGWAY	CONSTRUCT MAINTENANCE FACILITIES	15
441.0	WHITMAN MISSION NAT HIST SITE	PARK GENERAL	CORRECT DESIGN DEFICIENCIES IN PARK ENTRANCE RD	1741
442.0	GOLDEN GATE NAT RECREATION AREA	CLIFF HOUSE	RECONSTRUCT MERRIE WAY PARKING LOT	75
443.0	SAN ANTONIO MISSIONS NHP	PARK GENERAL	UPGRADE-REMOVE UTILITIES--REHAB STRUCTURES	1168
444.0	GLACIER NATIONAL PARK	PARK GENERAL	REHAB INTERIOR ROADS & PARKING	500
445.0	FIRE ISLAND NATIONAL SEASHORE	PARK GENERAL	REHAB PARKING FACILITIES/FERRY TERMINAL	292
446.0	FREDRICKSBURG-SPOTSYLVANIA NMP	WILDERNESS BATT	RD REHAB-GORDON, GRANT, HILL, SICKLE, & CHATHAM	5850

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
448.0	GREAT SMOKY MOUNTAINS NAT PARK	CABLE MILL	RECONSTRUCT & ENLARGE PARKING AREA	505
449.0	HERBERT HOOVER NAT HISTORIC SITE	PARK GENERAL	STAB/RESTORE 8 HIST HOUSES, INCLUDING INTERIORS	997
450.0	KLONDIKE GOLD RUSH NHP	WHITE PASS UNIT	DEVELOP WHITE PASS UNIT	5
451.0	COLONIAL NAT HISTORICAL PARK	PARK GENERAL	PAVEMENT REPAIR, COLONIAL PARKWAY	2698
452.0	LAVA BEDS NATIONAL MONUMENT	INDIAN WELL	CONSTRUCT FIRE CREW APARTMENT	31
453.0	BIG BEND NATIONAL PARK	CASTOLON	IMPROVE ROADS AT HOUSING AND MAINTENANCE AREA.	438
454.0	YELLOWSTONE NATIONAL PARK	MAMMOTH (WYO)	PRESERVE 38 HIST STRUCTURES AT FORT YELLOWSTONE	10635
455.0	CAPE COD NATIONAL SEASHORE	PROVINCETOWN	RECONST RACE POINT AND HIGH HEAD ROADS	1160
456.0	DELAWARE WATER GAP NAT REC AREA	PARK GENERAL	PETERS VALLEY - DINGMAN'S ROAD	1170
457.0	NATIONAL CAPITOL PARKS--EAST	PISCATAWAY PARK	INITIATE VISITOR USE DEVELOPMENT-PISCATAWAY	786
458.0	CUMBERLAND GAP NAT. HIST. PARK	PARK GENERAL	RELOCATE US 25E--CONSTRUCT TUNNEL	100300
459.0	INDIANA DUNES NAT LAKESHORE	WEST UNIT	CONSTRUCT WEST UNIT TRANSIT CENTER	287
460.0	NORTHWEST ALASKA AREAS	KOTZEBUE	PROVIDE MAINTENANCE STORAGE FACILITIES	5
461.0	CRATERS OF THE MOON NM	PARK GENERAL	RECONSTRUCT INTERIOR ROAD SYSTEM	945
462.0	GRAND CANYON NATIONAL PARK	PARK GENERAL	RECONSTRUCTION POINT SUBLIME ROAD	1730
463.0	SUNSET CRATER NAT MONUMENT	PARK GENERAL	CONSTRUCT VISITOR CONTACT STATION	260
464.0	DEVILS TOWER NATIONAL MONUMENT	PARK GENERAL	RECONSTRUCTION PRIMARY ROAD (COMPLETION)	2467
465.0	CAPE COD NATIONAL SEASHORE	PARK GENERAL	REPAVE BICYCLE TRAILS	387
466.0	COLONIAL NATIONAL HIST PARK	YORKTOWN	CONSTRUCT INTERP FACILITY--POOR POTTERS POTTERY	1704
467.0	ROCK CREEK PARK	PARK GENERAL	COMPLETE SAFETY REPAIRS TO MAINTENANCE AREA	2789
468.0	CONGAREE SWAMP NATIONAL MONUMENT	PARK GENERAL	CONST INITIAL VIS FACIL FOR NEWLY AUTH AREA	1348

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
469.0	PICTURED ROCKS NAT LAKESHORE	GRAND SABLE LAK	RECONS.TRAIL, CONST COMF. STA, REHAB PICNIC SITE	220
470.0	KENAI FJORDS NATIONAL PARK	PARK GENERAL	CONST. NUKA RANGER STAT. & 3 PUBLIC USE CABINS	13
471.0	FORT CLAPSOP NP	PARK GENERAL	EXPAND VISITOR CENTER	466
472.0	CHIRICAHUA NATIONAL MONUMENT	PARK GENERAL	RECONSTRUCT ROUTE 1	58
473.0	LYNDON B. JOHNSON NHP	LBJ RANCH	EXTEND WATER SYSTEM TO JUNCTION SCHOOL	295
474.0	FORT LARAMIE NAT HISTORIC SITE	PARK GENERAL	CONSTRUCT VISITOR AND PARK SUPPORT FACILITIES	5437
475.0	ACADIA NATIONAL PARK	PARK GENERAL	CONSTRUCT RESTROOMS AND SEWER, WILDWOOD	253
477.0	VIRGIN ISLANDS NATIONAL PARK	HASSEL ISLAND	REHAB DOCKS, TRAILS, QTRS., PROVIDE TOILETS	1610
478.0	HERBERT HOOVER NAT HISTORIC SITE	PARK GENERAL	REHAB LIB. DR & PRKG AREA TO IMPROVE VIS ACCESS	174
479.0	DENALI NATIONAL PARK/PRESERVE	PARK GENERAL	CONSTRUCT NEW HOTEL COMPLEX	15692
480.0	OLYMPIC NATIONAL PARK	PARK GENERAL	REPLACE LOG CABIN/RESORT CABINS	300
481.0	GOLDEN GATE NATIONAL REC. AREA	OCEAN BECH	PAVE OCEAN BEACH PARKING AND ESPLANADE	50
482.0	BIG THICKET NATIONAL PRESERVE	TURKEY CREEK	CONSTRUCT VISITOR FACILITY & HDGTS.COMPLEX.	4352
483.0	GLACIER NATIONAL PARK	APGAR	CONSTRUCT VISITOR CENTER FOR WEST SIDE OF PARK	3050
484.0	SAUGUS IRON WORKS NHS	PARK GENERAL	DISMANTLE AND REBUILD BLAST FURNACE	624
485.0	PRESIDENT'S PARK	PARK GENERAL	IMPROVE VISITOR ACCESS TO WHITE HOUSE	4500
486.0	CHICKAMAUGA-CHATTANOOGA NMP	CHICKAMAUGA	RELOCATE U.S. HIGHWAY 27	45600
487.0	ST. CROIX NATL SCENIC RIVER	OLD NEVERS DAM	CONST PICNIC SITES, CANOE LANDING, & PARKING	122
488.0	KATMAI NATIONAL PARK/PRESERVE	BROOKS CAMP	RELOCATE BROOKS CAMP FACILITIES	90
489.0	MOUNT RAINIER NATIONAL PARK	PARADISE	REHABILITATE PARADISE INN ANNEX	3275
490.0	POINT REYES NATIONAL SEASHORE	PARK GENERAL	RESURFACE LIGHTHOUSE ROAD & PARKING	300

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
491.0	SALINAS NATIONAL MONUMENT	GRAN QUIVIRA UT	REHABILITATE ACCESS ROAD AND PICNIC AREA ROAD	104
492.0	JOHN D. ROCKEFELLER, JR., PKWY	PARK GENERAL	CONSTRUCT INFO/ADMIN/MAINT RESIDENCE COMPLEX	4333
493.0	BOSTON NATIONAL HISTORICAL PARK	PARK GENERAL	RECONST VARIOUS ROADS & PARKING, CHARLESTOWN NY	580
494.0	C & O CANAL NAT HISTORICAL PARK	PIEDMONT DIST	RESTORE WILLIAMSPORT HISTORIC AREA	3404
495.0	VOYAGEURS NATIONAL PARK	KABETOGAMA NAR	REBUILD 4 MI KAB NARROWS RD--IMPROVE VIS. ACCESS	2687
496.0	DENALI NATIONAL PARK	TEKLANIKA	REPLACE PIT TOILETS IN CAMPGROUND AND BUS AREA	1026
496.0	GEORGE WASHINGTON MEM. PARKWAY	GREAT FALLS PK.	PROVIDE SAFE VISITOR ACCESS-GREAT FALLS VIRGINIA	256
497.0	CRATER LAKE NATIONAL PARK	PARK GENERAL	REHAB WEST & SOUTH ENTRANCE & ONE-WAY ROADS	1037
498.0	LAVA BEDS NATIONAL MONUMENT	PARK GENERAL	OVERLAY MAIN PARK ROAD	258
499.0	PEA RIDGE NAT'L MILITARY PARK	PARK GENERAL	STABILIZE PORTION OF TOUR ROAD	550
500.0	GRANT-KOHRS RANCH NHS	PARK GENERAL	CONSTRUCT VISITOR CENTER FACILITY	2524
501.0	SALEM MARITIME NHS	PARK GENERAL	REHABILITATE NARBONNE HOUSE INTERIOR	190
502.0	ROCK CREEK PARK	PARK GENERAL	ELIMINATE RESOURCE DEGRADATION AND EROSION	317
503.0	HOMESTEAD NATIONAL MONUMENT	PARK GENERAL	EXPAND VC, PROVIDE PERM ARTIFACT COLLECT FAC.	133
504.0	KATMAI NATIONAL PARK & PRESERVE	PARK GENERAL	CONSTRUCT THREE BRIDGES & REHAB ROAD	2920
505.0	OLYMPIC NATIONAL PARK	LAKE CRESCENT	REHABILITATE EAST BEACH ROAD AND PICNIC AREA	8665
506.0	LASSEN VOLCANIC NATIONAL PARK	MANZANITA	REPAVE MANZANITA LAKE CAMPGROUND ROADS	457
507.0	PEA RIDGE NAT MILITARY PARK	ELKHORN TAVERN	CONST COMFORT STATION & PARKING, ELKHORN TAVERN	592
508.0	CAPITOL REEF NATIONAL PARK	PARK GENERAL	RECONSTRUCT GOOSENECK OVERLOOK ROAD, 1.2 MILES	849
509.0	VANDERBILT MANSION NHS	VANDERBILT MAN.	RESTORE FORMAL GARDENS/VANDERBILT	282
510.0	NATIONAL CAPITOL PARKS--CENTRAL	E & W POTOMAC	REHABILITATE SEAWALL, EAST & WEST POTOMAC PARK	42000

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
511.0	OZARK NAT SCENIC RIVERWAYS	DEVILS WELL	REHAB ROAD TO PROVIDE IMPROVED VISITOR ACCESS	211
512.0	WRANGELL-ST. ELIAS NP/P	GLENALLEN	CONSTRUCT EMPLOYEE HOUSINGS-GLENALLEN AREA	15
514.0	ORGAN PIPE CACTUS NATIONAL MON.	HEADQUARTERS	RESURFACE 7.1 MILES RDS. AND PARKING	51
515.0	SAN ANTONIO MISSIONS NHP	PARK GENERAL	REMOVE UTILITIES AND REHABILITATE LANDSCAPE	672
516.0	THEODORE ROOSEVELT NATIONAL PARK	NORTH UNIT	CONSTRUCT VISITOR CENTER AND DISTRICT OFFICES	2532
517.0	CAPE COD NATIONAL SEASHORE	PARK GENERAL	CONST INTERP WALKWAY & EXHIBITS, PROVINCETOWN	424
518.0	HARPERS FERRY NAT HIST PARK	PARK GENERAL	COMPLETE HISTORIC RESTORATION - LOWER TOWN	2945
519.0	ISLE ROYALE NP	MOTT ISLAND	REPLACE SUBSTANDARD HOUSING WITH 2 NEW DUPLEXES	17
520.0	SITKA NATIONAL HISTORIC SITE	PARK GENERAL	CONSTR TOTEM STORAGE & PRESERVATION FACILITY	20
521.0	CRATER LAKE NATIONAL PARK	LOST CREEK CG	RESURFACE PINNACLES ROAD	125
522.0	SALINAS NATIONAL MONUMENT	GRAN QUIVIRA UT	REHABILITATE VISITOR CONTACT STATION	661
523.0	CUSTER BATTLEFIELD NHS	HEADQUARTERS	REPLACE OUTMODED VISITOR CENTER	6060
524.0	MINUTE MAN NHP	BATTLE ROAD	REHABILITATE TAYLOR HOUSE	287
525.0	C&O CANAL NATIONAL HISTORIC PARK	GREAT FALLS	IMPROVE ENTRANCE ROAD, GREAT FALLS	697
526.0	CUYAHOGA VALLEY NAT REC. AREA	JAITE	RECONSTRUCT HIGHLAND AND VAUGHN ROADS	1160
527.0	DENALI NATIONAL PARK & PRESERVE	TOKLAT C.G.	REPLACE TRAILER QUARTERSAND UTILITIES-TOKLAT RC	966
528.0	FORT VANCOUVER NHS	FORT	RECONSTRUCT FUR STORE PHASE 3B	1253
529.0	FORT DAVIS NAT'L HISTORIC SITE	PARK GENERAL	RELOCATE VISITOR CENTER & ADMINISTRATIVE OFFICES	501
530.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	RECONSTRUCT WALL OF VIRGINIA CASCADE DRIVE	500
531.0	BOSTON NAT HISTORICAL PARK	NAVY YARD	REHABILITATE MARINE RAILWAY	13100
532.0	C&O CANAL NATIONAL HISTORIC PARK	MONOCACY RIVER	RESTORE MONOCACY RIVER AQUEDUCT	13100

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
533.0	ISLE ROYALE NATIONAL PARK	PARK GENERAL	PRESERVE/RESTORE HIST.EDISEN FISHERY COMPLEX	131
535.0	COULEE DAM NAT RECREATION AREA	HUNTERS & GIFF	EXPAND CAMPGROUND ROADS AND PARKING	1389
536.0	FORT SMITH NHS	PARK GENERAL	PRESERVE AND RESTORE HISTORIC COURTHOUSE JAIL	2402
537.0	MESA VERDE NATIONAL PARK	CHAPIN MESA	BUILD COMF. STA., ALL UTILITIES, BALCONY HOUSE	258
538.0	MINUTE MAN NAT HISTORIC PARK	PARK GENERAL	REHAB SAMUEL BROOKS HOUSE	130
539.0	NATIONAL CAPITOL PARKS--CENTRAL	WASH MONUMENT	INSTALL NEW ELEVATOR IN WASHINGTON MONUMENT	983
540.0	ICE AGE NAT SCIENTIFIC RESERVE	DEVILS LAKE	CONSTRUCT VISITOR CENTER & EXHIBITS	502
541.0	DENALI NATIONAL PARK & PRESERVE	HEADQUARTERS	CONSTRUCT COMFORT STATION IN KENNEL AREA	79
542.0	EBEY'S LANDING NAT HIST RESERVE	EBEY'S LANDING	CONSTRUCT PULLOFFS AND WAYSIDE EXHIBITS	1208
543.0	BANDELIER NATIONAL MONUMENT	BACK GATE	REHAB GROUP CAMPSITE & PICNIC AREA, PONDEROSA	1195
544.0	DEVILS TOWER NATIONAL MONUMENT	PARK GENERAL	REPLACE OUTMODED VISITOR CENTER	4550
545.0	MARTIN VAN BUREN NAT HIST SITE	PARK GENERAL	VISITOR FACILITY--MAINT. STRUCTURE	828
546.0	NATIONAL CAPITOL PARKS--EAST	ANACOSTIA PARK	REHABILITATE SEAWALLS, ANACOSTIA PARK	8364
547.0	LINCOLN HOME NAT HISTORIC SITE	PARK GENERAL	STABILIZE/RESTORE HISTORIC HOUSES.(FOUR)	12
548.0	DENALI NATIONAL PARK & PRESERVE	WONDER LAKE	CONSTRUCT WEST SIDE QTRS-WONDER LAKE/KANTISHNA	354
549.0	NORTH CASCADES NATIONAL PARK	PARK GENERAL	RECONSTRUCT CASCADES PASS ROAD	910
550.0	AMISTAD RECREATION AREA	DIABLO EAST	CONSTRUCT VISITOR CONTACT STATION	1093
551.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	REBUILD SYLVAN PASS-E.ENTR.ROAD 8MI (POR)	6625
552.0	CAPE COD NATIONAL SEASHORE	PARK GENERAL	CONSTRUCT 30 MILE BIKE TRAIL	8281
553.0	GEORGE WASHINGTON MEM. PARKWAY	MT. VERNON	RESTORE HISTORIC MOUNT VERNON INN	277
554.0	INDIANA DUNES NATIONAL LAKESHORE	EAST UNIT	CONSTRUCT EAST UNIT TRANSIT CENTER	3937

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
555.0	DENALI NATIONAL PARK & PRESERVE	PARK GENERAL	CONSTRUCT NEW INTERP TRAILS--HEADQUARTERS AREA	125
556.0	NORTH CASCADES NP COMPLEX	STEHEKIN VALLEY	REHABILITATE UTILITY SYSTEM AT SWISSMONT LODGE	262
557.0	BIG BEND NATIONAL PARK	CASTOLON	CONSTRUCT MAINTENANCE/STORAGE FACILITIES	634
558.0	GLACIER NATIONAL PARK	MANY GLACIER	REHAB 12 MI., MANY GLACIER SLIDE CORR. & PAVE	1800
559.0	GATEWAY NATIONAL RECREATION AREA	JAMAICA BAY	NORTH SHORE DEVELOPMENT	5265
560.0	WOLF TRAP FARM PARK	PARK GENERAL	IMPROVE MGMT/OPERATIONS-CONST. CONSOLIDATED FAC.	878
561.0	CUYAHOGA VALLEY NAT REC AREA	PARK GENERAL	RESTORE INT.LOCKTENDERS HSE FOR USE AS MUSEUM/VC	1601
562.0	GLACIER BAY NATIONAL MONUMENT	BARTLETT COVE	WEST ARM PARTOL BOAT	5
563.0	FORT VANCOUVER NHS	PARK GENERAL	EXPAND VISITOR CENTER	72
564.0	SAN ANTONIO MISSIONS NHP	PARK GENERAL	REHAB COMPOUND, DELINEATE WALLS, PROVIDE WALKWAY	1544
565.0	HOVENWEEP NATIONAL MONUMENT	PARK GENERAL	BUILD VISITOR-CONTACT STATION	3040
567.0	NATIONAL CAPITAL PARKS--CENTRAL	MALL	REHABILITATE MALL STABLE	1965
570.0	OLYMPIC NATIONAL PARK	LAKE CRESCENT	CONSTRUCT VISITOR CENTER AND FACILITIES	607
571.0	NAVAJO NATIONAL MONUMENT	PARK GENERAL	CONSTRUCT PEDESTRIAN TRAIL TUNNEL	780
572.0	YUCCA HOUSE NATIONAL MONUMENT	PARK GENERAL	BUILD VISITOR-CONTACT STATION	322
574.0	GEORGE WASHINGTON MEM. PARKWAY	PARK GENERAL	UPGRADE VISITOR SERVICES AT ACTIVITY SITES	1900
575.0	AGATE FOSSIL BEDS	QUARRY AREA	CONST. VIS./INTERP SHELTERS OVER FOSSIL EXHIBITS	65
576.0	YUKON-CHARLEY RIVERS PRESERVE	PARK GENERAL	PARK HOUSING--CIRCLE ALASKA	353
577.0	MOUNT RAINIER NATIONAL PARK	OHANAPECOSH	CONSTUCT SEASONAL QTRS. AND STORAGE	916
578.0	PADRE ISLANDS NATIONAL SEASHORE	MALAQUITE BEACH	CONVERT VIEW TOWER TO RANGER OFFICE	141
579.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	RECONSTRUCT GRAND LOOP(NORRIS-MADISON) 14 MI.	4463

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
581.0	NATIONAL CAPITOL PARKS--CENTRAL	PARK GENERAL	ENLARGE WASHINGTON MONUMENT WINDOWS/ACCESS	613
582.0	PERRY'S VICTORY & IPM	PARK GENERAL	CONST LANDSCAPED VISITOR APPROACH MALL TO MEM	171
583.0	DENALI NATIONAL PARK & PRESERVE	TOKLAT RD. CAMP	CONSTRUCT SHOP & STORAGE BUILDING	74
584.0	NORTH CASCADES NPS COMPLEX	STEHEKIN LAND'G	RECONSTRUCT STEHEKIN DOCKING AND BULKHEAD	399
585.0	FORT SMITH NAT HISTORIC SITE	PARK GENERAL	PRESERVE AND RESTORE HISTORIC ARMY COMMISSARY	386
586.0	ARCHES NATIONAL PARK	PARK GENERAL	RECONSTRUCT 3-MI. RT 8 DELICATE ARCH SPUR ROAD	2370
587.0	GATEWAY NRA	JAMAICA BAY	DEVELOP NORTH AREA, FLOYD BENNETH FIELD.	394
589.0	FORT LARNED HAT HIST SITE	PARK GENERAL	REHAB PCNC/REST AREA/REALIGN RD/RELOCATE PRKG	131
590.0	DENALI NATIONAL PARK & PRESERVE	PARK GENERAL	REPLACE EILSON VISITOR CENTER	6
591.0	BANDELIER NATIONAL MONUMENT	PARK GENERAL	REHABILIATE TRAILS	2062
592.0	YELLOWSTONE NATIONAL PARK	GRANT VILLAGE	EXPAND UTILITY & ROAD FACILITY FOR CONCESSION	2387
593.0	ADAMS NATIONAL HISTORIC SITE	PARK GENERAL	REHABILITATE BEALE & CARRIAGE HOUSES	177
594.0	PRESIDENT'S PARK	EXEC WAREHOUSE	CONSTRUCT WHITE HOUSE SUPPORT FACILITY	13100
595.0	MOUND CITY GROUP	PARK GENERAL	IMPROVE ROADS, PARKWIDE	160
597.0	AZTEC RUINS NATIONAL MONUMENT	PARK GENERAL	EXPAND VISITOR PARKING AREA	111
599.0	CAPE COD NATIONAL SEASHORE	WELLFLEET	DEVELOPMENT ATWOOD HIGGINS COMPLEX	219
600.0	ISLE ROYALE NATIONAL PARK	HOUGHTON HQ	REHAB HEADQUARTERS & UPGRADE ELECTRIC SYSTEM	328
601.0	KATMAI NATIONAL PARK	PARK GENERAL	CONSTRUCT LAKE CAMP DAY USE FACILITY	20
603.0	ROCKY MOUNTAIN NATIONAL PARK	PARK GENERAL	REHAB 2.9 MI BEAVER MEADOWS-DEER RIDGE RT 2B	1390
604.0	SAGAMORE HILL NHS	PARK GENERAL	DESIGN AND INSTALL EXHIBITS-OLD ORCHARD MUSEUM	482
605.0	OZARK NSR	PARK GENERAL	UPGRADE RD FOR RIVER ACCESS 5-SITES	1122

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
606.0	LAKE CLARK NP & PRESERVE	PARK GENERAL	CONSTRUCT VISITOR CENTER COMPLEX	236
607.0	CHACO CULTURE NAT HIST PARK	PARK GENERAL	RECONSTRUCT ROADS	840
608.0	YELLOWSTONE NATIONAL PARK	PARK GENERAL	REPAIR 38 PARK BRIDGES	655
609.0	MARTIN VAN BUREN NAT HIST SITE	PARK GENERAL	RESTORE GROUNDS	121
610.0	APOSTLE ISLANDS NL	RASBERRY ISLAND	RESTORE & REFURNISH HISTORIC LIGHT STATION	31
611.0	BERING LAND BRIDGE	PARK GENERAL	CONSTRUCT MULTI-PURPOSE BUILDING	30
612.0	GUADALAUPE MOUNTAINS NAT PARK	PARK GENERAL	CONSTRUCT TRAIL SYSTEM, PHASE IV	690
613.0	BOSTON NATIONAL HISTORIC PARK	NAVY YARD	PRESERVE AND MAKE SAFE DRY DOCK #1 & CAISSON	332
614.0	SCOTTS BLUFF NATIONAL MONUMENT	HEADQUARTERS	REHAB VC & EXHIBITS, PROVIDE AUDIOVISUAL ROOM	25
615.0	BADLANDS NATIONAL PARK	SOUTH UNIT	CONSTRUCT 2-MILE ROAD TO STRONGHOLD TABLE	628
616.0	ADAMS NATIONAL HISTORIC SITE	PARK GENERAL	BUILD UNDERGROUND LIBRARY	166
617.0	JEFFERSON EXPANSION MEMORIAL NHS	PARK GENERAL	RESTORE HISTORIC GROUNDS	150
618.0	CANYONLANDS NP	PARK GENERAL	FINISH CONSTRUCTION OF 18.9 MI. FLAT ROAD	1986
620.0	OZARK NATIONAL SCENIC RIVER	PARK GENERAL	REPL CG CONC FAC & CONST UTIL,SEWER & COM STAT	144
621.0	GREAT SAND DUNES NAT MONUMENT	PARK GENERAL	WIDEN AND REHAB 10.4 MILES OF PAVED ROAD	426
623.0	INIDANA DUNES NL	PARK GENERAL	CONST. SS RR STOPS TO CONNECT E&W TRANSIT CTR.	428
624.0	FORT UNION TRADING POST NHS	PARK GENERAL	PAVE MAINTENANCE/RESIDENTIAL AREA ROAD	130
625.0	GATEWAY NRA	STATEN ISLAND	MILLER FIELD DEVELOPMENT	4525
626.0	VOYAGEURS NATIONAL PARK	BLACK BAY	CONST DIST MAINT FAC W/UT &RD TO SERVE VIS FAC	2053
627.0	COLORADO NATIONAL MONUMENT	PARK GENERAL	MAJOR REHAB OF 4.7 MI-OVERLAY/DRAIN/SEAL/STRIPE	1381
629.0	WILLIAM HOWARD TAFT N.H.S.	PARK GENERAL	CONST VIS CONT STA/MAINT BLDG & REHAB GROUNDS	1076

CONSTRUCTION PRIORITIES LIST
(BY SERVICEWIDE PRIORITY)

SERVICEWIDE PRIORITY	NAME OF PARK	DEVELOPED AREA	CONSTRUCTION PACKAGE TITLE	ESTIMATED COST
630.0	THEODORE ROOSEVELT NMP	PARK GENERAL	RECONSTRUCT AND RESURFACE 19 MILES PARK ROADS	3794
631.0	ACADIA NATIONAL PARK	PARK GENERAL	REHABILITATE GILLEY HOUSE, BAKER ISLAND	167
632.0	JEFFERSON NEM	PARK GENERAL	CONST MAINT BLDG TO REPLACE TEMPORARY FACILITY	135
633.0	ROCKY MOUNTAIN NATIONAL PARK	PARK GENERAL	CONSTRUCT NORTH AND EAST INLET PARKING AREAS	1072
634.0	BOSTON NAT HISTORICAL PARK	NAVY YARD	REHABILITATE CHAIN FORGE (BLDG #105)	1726
635.0	WILSON'S CREEK NB	PARK GENERAL	REHAB WATER SYSTEM	190
636.0	MOUNT RUSHMORE NATION MEMORIAL	PARK GENERAL	RECONSTRUCT MAIN ENTRANCE ROAD AND PARKING	1954
637.0	HERBERT HOOVER NAT HIST SITE	PARK GENERAL	CONST GARAGE &EQUIP STORAGE BLDG. ELIMINATE INTR	400
*** Total ***				1465450

FISCAL 1988 CONSTRUCTION

Question: The budget proposes $19,318,000 for 11 projects in 10 parks. How many other projects have been previously funded but remain incomplete?

Answer: A total of 85 projects or portions of projects had been previously funded but not started as of February 28, 1987.

Question: What is the cost and schedule to complete each?

Answer: These projects, along with available funding and scheduled start dates, follow:

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

Construction Appropriation

Composition of Unobligated Carryover to Fiscal 1987 ($82,441,359)	Appropriated Amounts ($ in Thousands)	Scheduled Obligation Dates
1. Line Item Construction Projects		
Alaska Region, Northwest Areas Office		
Park General		
Employee Housing, Kotzebue (104) (FY 1986)	$ 543	SCH 7/87
This project was a Congressiona add-on. Construction has been delayed pending completion of design.		
Apostle Islands NL		
Michigan Island		
Reconstruction of Public Dock on Island (224) (FY 1986)	435	SCH 6/87
This project was a Congressional add-on. Construction has been delayed pending completion of design.		
Badlands NP		
Park General		
Rehabilitate Cedar Pass Lodge (191) (FY 1986)	374	SCH 5/87
Design questions have delayed project. Award is scheduled in the spring of 1987.		
Boston African American NHS		
Rehabilitation of African Meeting House, Phases I and II (FY 1983 Supplemental)	1,000	Obligated 10/86
This project was delayed pending resolution of design problems.		
Boston NHP		
Navy Yard		
Rehabilitate Building 28 and Relocate Historic Preservation Center (155) (FY 1986)	1,268	SCH 4/87
This project was a Congressional add-on. Construction is awaiting completion of design.		

Area and Project	Appropriated Amount ($ in Thousands)	Scheduled Obligation Dates
Bryce Canyon NP		
Park General		
Rehabilitate Structures (Dormitory, Campers Store and Recreation Hall) (114) (FY 1986)	570	SCH 4/87
This project has been delayed pending completion of plans.		
Cape Hatteras NS		
Buxton		
Rehabilitation of Lighthouse (175) (FY 1985)	3,243 (Portion Remaining)	SCH 6/87
Total Appropriated: $3,430,000		
This project was a Congressional add-on. Portion for structural analysis obligated in fiscal 1986. Plans could not be completed in time to allow award of the main contract in fiscal 1986. Project also dependent upon fiscal 1987 funding, with which it will be combined.		
Chickasaw NRP		
Park General		
Rehabilitate Veterans Lake Dam Spillway (206) (FY 1985)	477 (Portion Remaining)	SCH 5/87
Total Appropriated: $637,000		
This project was a Congressional add-on. Portion was obligated in fiscal 1985 ($160,000) for a design contract, which could not be completed in time to enable award of construction contract in fiscal 1986. Project will be combined with fiscal 1985 phase ($500,000), with accomplishment by the Bureau of Reclamation.		
Crater Lake NP		
Park General		
Construct Roads and Utilities, Mazama Campground (237) (FY 1986)	932	Obligated 12/86
This project was advertised late in fiscal 1986, with bid opening on 10/30/86. Project awarded in December 1986.		
Cuyahoga Valley NRA		
Trail Bridges (163) (FY 1985)	137	SCH 9/87
Trail Brudges (163) (FY 1986)	327	
These projects were Congressional add-ons. Questions relating to type of bridge have delayed projects. Projects were advertised in fiscal 1986, but bids were rejected. Denver Service Center has rescheduled advertisement in December 1986.		
Delaware Water Gap NRA		
Park General		
Visitor Use Facilities, Roads, Parking, and Grounds (263) (FY 1985)	866 (Portion Remaining)	SCH Periodically in FY 87
Total Appropriated: $1,616,000		
This project was a Congressional add-on. On March 25, 1986, the House and Senate Appropriations Subcommittees approved the reprogramming of $750,000 from this project to the Roebling Bridge project at Upper Delaware Scenic and Recreational River. The remaining balance of		

Area and Project	Appropriated Amount ($ in Thousands)	Scheduled Obligation Dates
$866,000 will be combined with fiscal 1987 funding totaling $1,150,000 (which includes the return of $750,000 reprogrammed in fiscal 1986).		
Federal Hall NMem		
Park General		
Rehabilitate Federal Hall Building (105) (FY 1986)	951	SCH 5/87
This project was a Congressional add-on. Construction has been delayed pending completion of planning.		
Fort Larned NHS		
Park General		
Replace Blockhouse and Tunnel (126) (FY 1986)	249	SCH 6/87
This project was a Congressional add-on. Construction has been delayed pending completion of archeological investigations.		
Fort Sumter NM		
Boat Dock and Visitor Facilities (105) (FY 1978)	5,200 (Portion Remaining)	Land Purchase Portion Oblig. 12/86 ($2 Million)
Total Appropriated: $5,581,000		
This project has been delayed due to questions involving its location and content. NPS has been cooperating with the City of Charleston and concessioner in selecting an acceptable location. The only costs to date against the line item program are for preliminary planning and supervision expenses relating to site location review. In accordance with fiscal 1987 appropriation language, NPS is directed to use portion of the remaining $5.2 million for land acquisition. Fiscal 1987 appropriation language states that ". . . land may be acquired and facilities constructed at Dockside II site with unused funds previously appropriated for construction at Fort Sumter NM." Land purchase portion took place in December 1986 (totaling $2 million).		
Glacier NP		
Park General		
Rehabilitate Structures (Lake McDonald Lodge, Granite Park Lodge and Dormitory) (361) (FY 1986)	1,903	SCH 9/87
Design questions raised by Region have delayed project.		
Golden Gate NRA		
Park General		
Construct the Phil Burton Memorial (277) (FY 1986)	714	SCH 9/87
This project was a Congressional add-on. Construction has been delayed pending completion of plans.		
Grand Canyon NP		
North Rim		
Replace Power Distribution System (352) (FY 1986)	3,710	SCH 5/87
Project delayed pending completion of design. It is now scheduled for award in the spring of 1987.		

Area and Project	Appropriated Amount ($ in Thousands)	Scheduled Obligation Dates
Gulf Islands NS Naval Live Oaks Construct Administrative/Visitor Center and Utilities (112) (FY 1986) Total Appropriated: $2,663,000 This project was a Congressiona add-on. Main contract and utilities portions were obligated in fiscal 1986.	1,444 (Portion Remaining)	SCH 5/87
Home of FDR NHS Rehabilitation of Fire Damaged Home (FY 1982 Supplemental) Total Appropriated: $2,000,000 Portions of this project were obligated in fiscal 1983, 1984, and 1985. Project is being accomplished in phases by contract and day labor. Balance remaining of $87,000 will be combined with fiscal 1987 appropriation for Home of FDR NHS.	87 (Portion Remaining)	SCH 6/87
Hot Springs NP Park General Convert Fordyce Bathhouse to Visitor Center (145) (FY 1986) Total Appropriated: $1,997,000 This project was a Congressional add-on. Asbestos removal and exterior rehabilitation portions are underway. Balance remaining of $1,513,000 for interior rehabilitation is scheduled for obligation in the summer of 1987.	1,513 (Portion Remaining)	SCH 6/87
Harpers Ferry NHS Park General Water System (131) (FY 1985) Total Appropriated: $809,000 This project was a Congressional add-on. It consists of two phases. The first phase was awarded in fiscal 1985 for $560,000. The second phase is scheduled to be awarded in the spring of 1987.	249 (Portion Remaining)	SCH 8/87
Hawaii Volcanoes NP Rehabilitation of Volcano Observatory, including Portion of Old Observatory; and Construction of Interpretive Center, including Exhibits (FY 1984 Supplemental) Total Appropriated: $5,000,000 Main portion of project, totaling $4,500,000 for observatory rehabilitation and interpretive facility, is underway. Portion remaining will be used to complete interpretive center.	500 (Portion Remaining)	SCH 4/87
Hot Springs NP Park General Correct Deficiencies in the Libbey Center Bathhouse (145) (FY 1986) This project has been delayed pending completion of planning.	252 (Portion Remaining)	SCH 5/87

Area and Project	Appropriated Amount ($ in Thousands)	Scheduled Obligation Dates
Jean Lafitte NHP Park General Provide Exhibits and Audio-visual for New Visitor Center, Chalmette and Barataria (114) (FY 1986)	534	SCH 4/87
This project was a Congressional add-on. Construction delayed pending completion of plans.		
Jean Lafitte NHP Park General Construct Acadian Culture Center at Eunice (133) (FY 1986)	238	SCH 5/87
This project was a Congressional add-on. Construction has been delayed pending completion of plans.		
Kenai Fjords NP Park General Visitor Facilities, Exit Glacier and Headquarters; and Storage/Maintenance Facility (100) (FY 1986)	563 (Portion Remaining)	SCH 5/87
Total Appropriated: $713,000		
This project was a Congressional add-on. Day labor portion for restroom facilities near downtown visitor center is underway. Balance remaining of $563,000 for additional restrooms and modification of downtown visitor facility, and for maintenance facility is scheduled for obligation in the spring of 1987.		
Lowell NHP Park General Boott Mill Construction (117) (FY 1985) Boott Mill Exhibits (117) (FY 1985)	4,704) 1,470)	SCH 6/87
These projects were Congressional add-ons. Construction has been delayed pending completion of designs. To be combined with fiscal 1986 funding.		
Lowell NHP Park General Boott Mill Complex (117) (FY 1986)	3,196	SCH 6/87
This project was a Congressional add-on. To be combined with fiscal 1985 funding.		
Lowell Historic Preservation Commission Canal Improvements; Grants; Exhibits (208) (FY 1986)	1,876 (Portion Remaining)	SCH Periodically FY 87
This project was a Congressional add-on. In fiscal 1986, $782,000 portion was obligated for Boott Mill Boardinghouse rehabilitation in accordancw with internal reprogramming reflected in Quarterly Reprogramming Report (3rd Quarter, Fiscal 1986). Additional $356,000 was obligated for grants in fiscal 1986. Portion remaining is scheduled to be obligated periodically in fiscal 1987.		

Area and Project	Appropriated Amount ($ in Thousands)	Scheduled Obligation Dates
Lowell Historic Preservation Commission Final Acquisition and Development, Boott Mill (207) (FY 1985) Total Appropriated: $2,352,000 This project was a Congressional add-on. $588,000 portion was obligated in fiscal 1986 for Boott Mill Boardinghouse rehabilitation. (Reference: Internal reprogramming, 3rd Quarter Reprog. Report, FY 1986). Portion remaining is scheduled to be obligated in fiscal 1987.	1.764 (Portion Remaining)	SCH 7/87
Lowell Historic Preservation Commission Completion, Lower Canal Locks (207) (FY 1985) Total Appropriated: $588,000 This project was a Congressional add-on. Portion was obligated in fiscal 1986. Balance remaining is scheduled for obligation in fiscal 1987.	558	SCH 7/87
Lowell Historic Preservation Commission Grants (207) (FY 1985) Total Appropriated: $1,470,000 This item was a Congressional add-on. $368,000 portion was obligated in fiscal 1986 for Boott Mill Boarding-house rehabilitation. (Reference: Internal reprogramming, 3rd Quarter Reprog. Report, FY 1986). Portion remaining is scheduled to be obligated in fiscal 1987.	1,072 (Portion Remaining)	SCH Periodically FY 87
Lowell Historic Preservation Commission Historic Trolley (207) (FY 1985) Total Appropriated: $662,000 This project was a Congressional add-on. $165,000 portion was obligated in fiscal 1986 for Boott Mill Boardinghouse rehabilitation. (Reference: Internal reprogramming, 3rd Quarter Reprog. Report, FY 1986). Balance remaining is scheduled to be obligated in fiscal 1987.	424 (Portion Remaining)	SCH 7/87
Martin Luther King, Jr. NHS General Development, including Exhibits and Area Impact Plan (102) (FY 1983) Total Appropriated: $650,000 This project was a Congressional add-on. Area Impact Plan and portions of rehabilitation and exhibits have been obligated. Remaining portion is scheduled to be obligated in fiscal 1987.	218 (Portion Remaining)	SCH Periodically FY 87
Mount Rainier NP Park General Rehabilitate National Park Inn and Longmire Hotel (340) (FY 1986) This project has been delayed pending completion of design.	1,161	SCH 5/87

Area and Project	Appropriated Amount ($ in Thousands)	Scheduled Obligation Dates
Natchez Trace Parkway Tupelo Subdistrict Grade Separation, Palmetto and Pontocola (102) (FY 1986) This project was a Congressional add-on. Land acquisition problems have delayed award.	1,123	SCH 3/87
Lincoln Home NHS Park General Structural Rehabilitation and Fire/Intrusion Detection System (196) (FY 1984) Project delayed pending resolution of questions relating to design and Historic Structures Report. Bids were opened in September 1986. Because of bond problems low bid had to be rejected. Project will be readvertised in fiscal 1987.	1,260	SCH 5/87
National Visitor Center (Union Station) Emergency Roof and Drainage Repairs (101) (FY 1982) This project was established through reprogramming for $7,400,000. NPS is responsible for funding and accomplishing above work in accordance with Union Station Redevelopment Act of 1981. Main portion of project -- roof repairs and skylight installation -- has been completed. Currently underway is additional skylight placement over East Concourse and over portion of roof of main section and installation of drainage system. Balance remaining is reserved for completing installation of drainage system.	800	SCH Periodically FY 87
Padre Island NS Park General Replace Public Use Facilities (182) (FY 1986) Award has been delayed pending design adjustments.	252	SCH 6/87
President's Park Rehabilitation of White House Utility System to Codes (247) (FY 1984) Total Appropriated: $3,000,000 During development of construction drawings, evaluation by Secret Service revealed weaknesses in fire detection/ suppression and protection systems, resulting in design modifications. Portion totaling $920,000 was awarded in fiscal 1986. Balance remaining is now scheduled to be awarded in fiscal 1987 in combination with fiscal 1986 phase (see entry below).	2,080	SCH 5/87
President's Park Complete Renovation of White House Utilities (247) (FY 1986) This project will be combined with fiscal 1984 phase.	2,103	SCH 6/87

Area and Project	Appropriated Amount ($ in Thousands)	Scheduled Obligation Dates
Rocky Mountain Region		
Glen Canyon NRA/Capitol Reef NP		
Construct Burr Trail (FY 1986)	7,705	
This project was a Congressional add-on. Planning could not be completed in time for an award in fiscal 1986. In addition, in accordance with Conference Report on Joint Resolution, P. L. 99-190 (Fiscal 1986 Appropriation), project must await authorizing legislation.		
San Juan NHS		
El Morro		
Construction of Breakwater and Revetment (143) (FY 1984)	13,252 (Portion Remaining)	SCH Periodically FY 87
Total Appropriated: $17,000,000		
Congress added this project to the Second Supplemental Appropriations Act, Fiscal 1984. Project has been delayed pending completion of earlier phases and completion of planning. Corps of Engineers is responsible for this work. $3.7 million portion was obligated in fiscal 1986. Balance remaining is scheduled for obligation in fiscal 1987.		
Sequoia-Kings Canyon NPs		
Clover Creek		
Phase II - Water, Sewer System, Utilities and Roads (200) (FY 1985)	4,218 (Portion Remaining)	Obligated 2/87
Total Appropriated: $9,459,000		
Water and sewer system portions were obligated in fiscal 1986. Red Fir Maintenance Building portion (remaining balance) was obligated in February 1987.		
Sitka NHP		
Park General		
Complete Restoration, Russian Bishop's House (115) (FY 1986)	706	SCH 5/87
This project was a Congressiona add-on. It is to be accomplished by day labor. Delays have been encountered pending resolution of design problems.		
William H. Taft NHS		
Park General		
Complete Restoration, Taft Home (101) (FY 1986)	809	SCH 5/87
This project was a Congressional add-on. Project delayed pending decisions relating to Historic Structures Report.		
Total, Line Item Construction (Activity No. 1)	79,030	

	Amount ($ in Thousands)
1. Line Item Construction Program - Fiscal 1986 and prior years (total brought forward from preceding page.	79,030
2. Estimated unobligated balances for projects underway by park work forces (day labor construction projects); and approved change orders (with funding transferred to Regions) for which obligations had not been incurred as of 9/30/86.	6,901
3. Estimated contingency to cover change orders, overruns, and claims for projects underway as of 9/30/86. (Undelivered orders as of 9/30/86 totaled $78.9 million).	7,360
4. Estimated unobligated balances for exhibits and audio-visual projects underway by Harpers Ferry Center (comprised of production and installation).	1,584
5. Estimated unobligated balances for Emergency and Unscheduled Projects Lump Sum Program	1,099
6. Estimated unobligated balances for special planning items derived from the Line Item program.	571
7. Estimated unobligated balances for advance planning and project planning underway (Activity 3); and that portion of project supervision derived from awarded projects which are still underway.	
Bulk of planning and supervision activities conducted by DSC personnel (Advance Planning) (Project Planning) (Project Supervision	9,799 3,697
Total	110,441 *
Less temporary transfer to BLM for firefighting costs incurred in fiscal 1986 (returned in fiscal 1987)	- 28,000
Total Carryover to Fiscal 1986	82,441

Fiscal 1987 Construction Program

SECTION 2

Area and Project	Appropriated Amounts ($ in Thousands)	Scheduled Obligation Dates
1. Line Item Construction Projects		
Bryce Canyon NP		
Park General		
Rehabilitate Bryce Canyon Lodge (174) (FY 87)	$ 1,800	SCH 7/87

* Includes $28 million transferred in fiscal 1986 to the Bureau of Land Management to cover firefighting costs. The $28 million was temporarily borrowed from construction projects (listed in Line Item section above), which could not be obligated in fiscal 1986. The fiscal 1987 Continuing Appropriations Act, P. L. 99-591, returned the $28 million to the National Park Service.

Area and Project	Appropriated Amounts ($ in Thousands)	Scheduled Obligation Dates
Buffalo NR		
Tyler Bend		
Develop Public Use and Operating Facilities, Phase I (Within Available Funding) (109) (FY 87)	(2,000)	SCH 9/87
This project was a Congressional add-on.		
Cape Cod NS		
Park General		
Reconstruct Nauset and Coast Guard Beach Facilities (138) (FY 87) (Phase II)	1,195	Rescission Pending
This project was a Congressional add-on.		
Cape Hatteras NS		
Buxton		
Complete Lighthouse Stabilization (175) (FY 87)	4,070	Rescission Pending
This project was a Congressional add-on.		
Chesapeake and Ohio Canal NHP		
Park General		
Flood Damage Repairs (700) (FY 87)	2,000	Rescission Pending
This project was a Congressional add-on.		
Chickasaw NRA		
Travertine Creek		
Rehabilitate Sewage System, Travertine District (Phase II) (197) (FY 87)	870	SCH 5/87
Chickasaw NRA		
Park General		
Rehabilitate Veterans Lake Dam, Phase II (206) (FY 87)	500	Rescission Pending
This project was a Congressional add-on.		

Area and Project	Appropriated Amounts ($ in Thousands)	Scheduled Obligation Dates
Cuyahoga Valley NRA		
Park General		
Restore Everett Village Bridge Structures (129) (FY 87)	200	Rescission Pending
Interior Restoration of Locktender's House (128) (FY 87)	280	
Greenwood Carriage Trail Completion (163) (FY 87)	215	
Construct Red Lock (Snowville Trailhead) (257) (FY 87)	40	
Stabilize and Restore Ohio and Erie Canal Towpath, Ira to Everett (119) (FY 87)	500	
Construct Kendall Loop and River Corridor Trails (Planning Only) (261) (FY 87)	100	
Restore Station Road Bridge (Planning Only) (162) (FY 87)	40	
Erosion Control (154) (FY 87)	300	Rescission Pending
(Less Designated Reduction Applicable to All Cuyahoga Valley NRA Projects Listed Above)	- 245	
Above listed Cuyahoga Valley NRA projects were Congressional add-ons		
Death Valley NM		
Stovepipe Wells		
Construct Concessioner Motel, Storage Building, and Employee Trailer Court (375) (FY 87)	900	SCH 7/87
Delaware Water Gap NRA		
Park General		
Repair/Replace Unsafe Visitor Facilities (263) (FY 87)	1,150	Rescission Pending
This project was a Congressional add-on.		
Delaware Water Gap NRA		
Park General		
Rehabilitation of Hazardous Dams (316) (FY 87)	450	Rescission Pending
This project was a Congressional add-on.		
Denali NP		
Park General		
Information Center, Campground Relocation, and Comfort Station Construction (221, 237, 101) (FY 87)	3,550	Rescission Pending
This project was a Congressional add-on.		

Area and Project	Appropriated Amounts ($ in Thousands)	Scheduled Obligation Dates
Fort McHenry NM		
Park General		
Rehabilitate Historic Seawall (149) (FY 87)	$ 860	SCH 5/87
Fort Union Trading Post NHS		
Park General		
Reconstruct Fort, Phase II (125) (FY 87)	700	Rescission Pending
This project was a Congression add-on.		
Glen Canyon NRA		
Halls Crossing		
Construct Fish Cleaning Station (403) (FY 87)	30	Rescission Pending
This project was a Congressional add-on.		
Grand Canyon NP		
Grand Canyon Village		
Reconstruct Water Distribution System, Village Area (Phase III) (360) (FY 87)	4,181	SCH 4/87
Grand Canyon NP		
North Rim		
Fence Northern Boundary (519) (FY 87)	435	Rescission Pending
This project was a Congressional add-on.		
Haleakala NP		
Kipahulu		
Construct Boundary Fence (171) (FY 87)	500	Rescission Pending
This project was a Congressional add-on.		
Harpers Ferry NHP		
Park General		
Water System Rehabilitation, Phase II (131) (FY 87)	140	Rescission Pending
This project was a Congressional add-on.		
Home of FDR NHS		
Park General		
Curatorial Conservation and Restoration of Third Floor Artifacts (130) (FY 87)	210	Rescission Pending
This project was a Congressional add-on.		

Area and Project	Appropriated Amounts ($ in Thousands)	Scheduled Obligation Dates
Hot Springs NP		
Park General		
Convert Fordyce Bathhouse to Visitor Center (145) (FY 87)	3,000	Rescission Pending
This project was a Congressional add-on.		
Jean Lafitte NHP and Pres.		
Park General		
Construct Acadian Cultural Center (133) (FY 87)	730	Rescission Pending
Barataria		
Construct Tour Boat Landing and Shelter at Jones Point (115) (FY 87)	350	Rescission Pending
These projects were Congressional add-ons.		
Johnstown Flood NMem		
Park General		
Construct Visitor Facilities, Utilities, and Exhibits (148) (FY 87)	4,950	Rescission Pending
This project was a Congressional add-on.		
Katmai NP and Pres.		
Park General		
Construct Pedestrian Bridges (103) (FY 87)	320	Rescission Pending
This project was a Congressional add-on.		
Lowell Historic Preservation Commission		
Park General		
Visitor Developments and Acquisitions (209) (FY 87)	2,700	Rescission Pending
This project was a Congressional add-on.		
Natchez Trace Parkway		
Park General		
Construct Parkway - Section 1B - 6 Miles (300) (FY 87)	11,900	Rescission Pending
This project was a Congressional add-on.		
New River Gorge NR		
Park General		
Construct Visitor Center-Headquarters Facilities, Utilities and Exhibits (108) (FY 87)	2,600	Rescission Pending
This project was a Congressional add-on.		

Area and Project	Appropriated Amounts ($ in Thousands)	Scheduled Obligation Dates
North Cascades NP		
Stehekin District		
Field's Point Development (147) (FY 87)	760	Rescission Pending
This project was a Congressional add-on.		
Sitka NHP		
Park General		
Completion, Russian Bishop's House (115) (FY 87)	700	Rescission Pending
This project was a Congressional add-on.		
Springfield Armory NHS		
Park General		
Rehabilitate Historic Structures, Phase I (103) (FY 87)	3,617	Rescission Pending
This project was a Congressional add-on.		
Voyageurs NP		
Kettle Falls		
Rehabilitate Hotel, Phase II (154) (FY 87)	1,990	Rescission Pending
This project was a Congressional add-on.		
Yellowstone NP		
Park General		
Rehabilitate Purchased Concessioner Facilities (620) (FY 87)	5,357	Rescission Pending for $2 Million Portion
Portion of this project ($2 million) was a Congressional add-on.		
Yosemite NP		
Park General		
Rehabilitate Electrical System, Demolish Penstock and Weir (473) (FY 87)	4,440	Rescission Pending for $700 Thousand Portion
Portion of this project ($700 thousand) was a Congressional add-on.		
Yosemite NP		
El Portal		
Construct Employee Housing (852) (FY 87)	3,610	SCH 6/87
Total, Line Item Construction	71,995	

	Appropriated Amounts ($ in Thousands)	
Activity 2		
Emergency and Unscheduled Projects Lump Sum Program	$ 3,000	Rescission Pending for $1 million Portion
Portion of the program ($1 million) was a Congressional add-on.		
Activity 3		
Planning		
Advance Planning	4,600	Rescission Pending for $1.8 Million Portion
Project Planning	8,500	Rescission Pending for $3,504,000 Portion
Portions of these programs ($5,304,000) were Congressional add-ons.		
Grand Total, Fiscal 1987 Construction Program	98,072	

CUMBERLAND ISLAND NATIONAL SEASHORE

Question: What is the current source of electricity on Cumberland Island NS, Georgia?

Answer: The seashore is still receiving power from the Okefenoke Rural Electric Membership Corporation.

Question: Why is that being replaced?

Answer: The source of electricity is not being replaced at Cumberland Island National Seashore. These funds are being requested to reimburse the Okefenoke Rural Electric Membership Corporation (OREMC) for installation of transmission lines, transformers, and electric meters as required by Public Law 98-421, dated September 25, 1984. This equipment was installed in 1967 prior to the establishment of the national seashore in anticipation of major development occurring on the island. Once the national seashore was established, all development plans had to be cancelled; hence, the public law was enacted to compensate the OREMC for its expense.

WHITE HOUSE

Question: How much money, in total, is being requested for work on the white House in 1988, by agency and by project?

Answer: In 1988 the National Park Service has requested $2,148,800 for the following projects to be done at the White House:

Renovation of White House Utility Systems -- $2,000,000

This project is a continuation of work begun in 1977 to upgrade or replace electrical, mechanical and other utility systems installed in the White House during the renovations of 1948-52. This final phase will provide a modern heating, ventilating and air-conditioning system along with fire protection modifications.

Exterior Restoration of the White House --$130,000

This project will complete the paint removal, stone repairs and repainting of the historic exterior walls of the White House begun in 1980 as a result of extensive research by the National Bureau of Standards on paint failure and adherence problems. The 1988 budget will provide funding for the National Park Service portion of the work to be accomplished together with the Executive Residence over the next 6 years. The project is being accelerated to be completed in time for the celebration of the bicentennial of the White House in October 1992.

Rehabilitate Electric System Rose and East Gardens -- $18,800

Both the Rose Garden and the East Garden electrical systems should be completely replaced. The electrical systems have been causing problems for the past year and the electricians have identified a problem in the underground wiring and recommend replacement. This project will be done by the National Park Service as a Repair/Rehabilitation project from the Operation of the National Park System account in 1988.

The Service is not knowledgeable of the funding aspect of projects which are the responsibility of other agencies.

Question: What is the NPS role in the overall rehabilitation project?

Answer: Since the White House is a national monument, Public Law 87-286, the National Park Service programs for the day-to-day operation of the grounds, construction and historic preservation. The present National Park Service operation provides essential support without impacting any of the primary uses of the White House as the Executive Office of President, as a residence and as an historic museum as stated in legislation. The National Park Service works with the President's staff and other agencies in an ongoing evaluation of operations.

NATCHEZ TRACE PARKWAY

Question: What is the total remaining work to be completed at the Natchez Trace Parkway?

Answer: If the 1987 construction add-on of $11.9 million is not rescinded, basically four sections of the parkway will remain--two sections in Tennessee (12.9 miles) and two in Mississippi (23.9 miles). Total estimated cost to complete is $97.2 million.

Question: How much can be obligated, by segment, in 1988?

Answer: A total amount of $19.9 million could be obligated in 1988 on the following sections:

Section 1B6 (Tennessee) -- 2 bridges totaling 0.4 miles. One bridge will be over Route 46, Pinewood Branch Road, and the other will be over Old Route 96 and Dobbins Branch -- $8.5 million.

Section 1A1 (Tennessee) -- 4.5 miles from Route 100 to the north end of new Route 96 bridge and Section 1A3, 4.5 miles from new Route 96 to Stillhouse Hollow Road including access to Natchez Trace Parkway from new Route 96 -- $9.7 million.

Section 3X (Mississippi) -- begin planning -- $500,000.

Construct maintenance/ranger building at Leiper's Fork, Tennessee -- $1.2 million. This facility will be necessary to protect and maintain the northern sections of the new parkway.

Question: What is the schedule for completion?

Answer: The proposed schedule, including estimates prepared by the Federal Highway Administration follows:

FEDERAL HIGHWAY ADMINISTRATION
EASTERN DIRECT FEDERAL DIVISION
Natchez Trace Parkway, Tennessee, Alabama, and Mississippi

January 29, 1987

Estimate for Completion of Mainline Parkway, including Grading, Drainage Base, Structures and Surfacing
(Dollars in Thousands)

Fiscal Year	State	Section	Mileage	Project Planning Amount	Contract Amount	Contract Supervision Amount	Contingencies and Administration Amount	Total Program Amount
1988	Tennessee	1B	0.4	--	$6,300	$1,000	$1,200	$8,500
	Tennessee	1A	9.0	$1,000	6,500	1,000	1,200	9,700
	Mississippi	3X	--	500	--	--	--	500
Subtotal			9.4	1,500	12,800	2,000	2,400	18,700
1989	Tennessee	1A	0.3	500	11,500	1,800	2,200	16,000
	Mississippi	3X	--	500	--	--	--	500
	Mississippi	3P	--	500	--	--	--	500
Subtotal			0.3	1,500	11,500	1,800	2,200	17,000
1990	Tennessee	1A	3.2	--	6,000	1,000	1,100	8,100
	Mississippi	3X	4.0	500	8,000	1,200	1,500	11,200
	Mississippi	3P	--	1,000	--	--	--	1,000
Subtotal			7.2	1,500	14,000	2,200	2,600	20,300

Fiscal Year	State	Section	Mileage	Project Planning Amount	Contract Amount	Contract Supervision Amount	Contingencies and Administration Amount	Total Program Amount
1991	Mississippi	3X	4.9	--	8,000	1,200	1,500	10,700
	Mississippi	3P	4.0	1,000	5,000	1,000	1,000	8,000
Subtotal			8.9	1,000	13,000	2,200	2,500	18,700
1992	Mississippi	3P	11.0	--	16,000	2,300	3,000	21,300
Subtotal			11.0	--	16,000	2,300	3,000	21,300
GRAND TOTALS			36.8	5,500	67,300	10,500	12,700	96,000

This chart assumes that the anticipated funds from the 1987 Federal Lands Highways Program ($5.0 million) and National Park Service Line Item ($11.9 million) are received.

CUMBERLAND GAP TUNNEL

Question: Please provide the same information for the Cumberland Gap tunnel and access roads.

Answer: The total remaining work to be completed at the Cumberland Gap tunnel and access roads includes construction of the main twin tunnels as well as their portals, a couple of small bridges, paving of the new access roads, landscaping, and obliteration of existing US 25E. Total remaining estimated cost after 1987 funding is $118.5 million.

Construction of the tunnel has reached a point where the only amount which could be obligated in 1988 would be the total amount required for the actual construction contract for the twin tunnels -- $61 million. Even if that amount is appropriated, it will be extremely difficult to obligate by the end of the fiscal year. It is important to note that no lesser amount could be obligated on the tunnel project in 1988.

The latest Federal Highway Administration proposed schedule and estimate for the relocation of Route US 25E follows:

FEDERAL HIGHWAY ADMINISTRATION
EASTERN DIRECT FEDERAL DIVISION
CUMBERLAND GAP NATIONAL HISTORICAL PARK
Kentucky, Tennessee, and Virginia

January 29, 1987

Schedule and Estimate for Relocation of Route US 25E
Fiscal Years 1988-1994
(Dollars in Thousands)

Fiscal Year	Project Number	Location	Type Of Work	Mileage	Planning and Pre-Engineering Contract Cost	Construction Contract Cost	Construction Supervision Cost	Retained By National Park Service	Administration And Miscellaneous Cost	Total Program Cost
1988	25E4	Kentucky/ Tennessee	Main Tunnels	0.8	200	24,500	3,800	200	1,300	30,000
1989	25E4	Kentucky/ Tennessee	Main Tunnels	--	200	25,500	3,800	200	1,300	31,000
1990	25E13	Kentucky	Landscaping	(1.2)	200	600	100	300	300	1,500
	25E17	Tennessee	Bridge Over 25E	(0.1)	--	1,600	300			1,900
	25E22	Kentucky	Bridge Over Skyland Road	--	--	800	100	--	--	900
	25E23	Kentucky/ Tennessee	Utilities	--	--	--	--	1,700	--	1,700
									Fiscal 1990 Total	6,000

Fiscal Year	Project Number	Location	Type Of Work	Mileage	Planning and Pre-Engineering Contract Cost	Construction Contract Cost	Construction Supervision Cost	Retained By National Park Service	Administration And Miscellaneous Cost	Total Program Cost
1991	25E15	Kentucky/ Tennessee	Portals, Electrical and Ventilation	--	200	14,500	2,300	200	800	18,000
1992	25E15	Kentucky/ Tennessee	Portals, Electrical and Ventilation	--	200	15,500	2,300	200	800	19,000
1993	25E16	Tennessee	Paving	0.2	200	4,000	600	200	300	5,300
	25E18	Kentucky	Paving	(1.2)	--	2,400	300	--	--	2,700
								Fiscal 1993 Total		8,000
1994	25E14	Tennessee	Landscaping	(0.6)	100	800	100	300	300	1,600
	25E19	Kentucky	Obliteration	(1.4)	--	3,200	500	--	--	3,700
	25E20	Virginia	Obliteration	(0.9)	--	1,000	200	--	--	1,200
								Fiscal 1994 Total		6,500

ADVANCE AND PROJECT PLANNING

Question: The advance and project planning activity is proposed for a reduction of $3,428,000 (-26%) in 1988. How many FTE'S will that mean go unfunded?

Answer: It is difficult to answer that question with an exact figure since the Service's planning and engineering offices always utilize a mix of inhouse staff and contracted Architectural and Engineering firms to accomplish project work. On the basis of the current work program, as many as 57 FTE positions might go unfunded based upon the $3,428,000 reduction.

Question: How much will it cost to maintain the desired FTE level and what is that level?

Answer: The amount requested in the Service's fiscal 1988 budget request, $9,672,000, is the desireable level based on overall priorities. The FTE level, as previously stated, will necessarily fluctuate in response to available funding and mix of inhouse and contractually accomplished work.

CAPE HATTERAS NATIONAL SEASHORE

Question: What is the status of work at Cape Hatteras NS and the schedule?

Answer: An architecture and engineering firm is presently working on final plans and specifications for rehabilitation of the interior of the lighthouse. Completion of bidding documents is due by March 1987. Estimated cost for interior rehabilitation is $1.5 million.

The Corps of Engineers has completed final plans and specifications for construction of the seawall/revetment around the exterior of the lighthouse. They are ready to distribute invitations to bid once funds are available. We have notified them that no obligation of 1987 construction monies can occur until the issue of the rescission is resolved.

Question: Please provide for the record material reviewed to date on the option to move the lighthouse.

Answer: In 1980 the National Park Service commissioned an architectural and engineering firm to evaluate various alternatives for protection of the lighthouse. A total of six plans were considered, namely: (1) no action; (2) relocating the lighthouse; (3) completely encircling the lighthouse with a revetment; (4) a partial revetment combined with groins and beach nourishment; (5) groins and beach nourishment; and (6) beach nourishment. The architectural engineering firm did not make any recommendations as to the most desirable plan; however, the relocation alternative appeared to be the least costly.

After reviewing the architectural engineering report, we consulted with another Federal agency familiar with the transport of large, vertical objects. Those discussions indicated that the architectural engineering plan for moving the lighthouse had serious flaws and potentially could result in the destruction of

the lighthouse during movement. Furthermore, the estimated cost of the relocation plan appeared to be much too low.

At that time it was decided that because of the questionable structural condition of the lighthouse, the added expense and time involved in another study, and public sentiment for protecting the lighthouse in place, further consideration of the relocation alternative was not warranted. This decision also was based on the results of a public workshop held in April 1982 and comments received from the circulation of an environmental assessment in August 1982. In November 1982, the Corps of Engineers was directed to initiate detailed engineering studies for the seawall alternative.

Question: Is that the preferred NPS option?

Answer: No. The preferred National Park Service option for preservation of the lighthouse is the construction of the seawall/revetment.

Question: Why or not?

Answer: Relocation is not the preferred alternative for the following reasons:

The lighthouse could be irreparably damaged during the move.

The historical context of the complex would be compromised.

To completely study the relocation alternative once again would be costly and valuable time would be lost as the shoreline continues to move toward the structure. Also, there are no guarantees that this alternative would indeed be the least costly alternative.

If a rail system was utilized for movement of the lighthouse, approximately 10 acres of shrub thicket, grassland, and associated wildlife habitat would be disturbed in the short term. The area disturbed by construction of the rail system would be rehabilitated after the lighthouse was moved.

The development of a plan to protect the Cape Hatteras Lighthouse has followed a very thorough process in which all possible alternatives, including relocation, have been given adequate consideration. We believe that the decision not to relocate the lighthouse is based on sound engineering and that the plan selected affords the highest degree of protection without exposing the lighthouse structure to any undue risk. Although the lighthouse might eventually be surrounded by water, this does not appear likely for at least another 50 to 100 years. Even if this occurs and continued access to the lighthouse is desired, a pier-like walkover could be constructed between Hatteras Island and the lighthouse.

CONSTRUCTION PROJECTS

Question: What are the next construction projects planned for the New River Gorge National River and their cost? For Denali? For Jean LaFitte? For Hot Springs? For Buffalo River?

NEW RIVER GORGE NATIONAL RIVER

Answer: There are no immediate construction projects planned for New River Gorge. Prior to further development, the Service needs to continue its planning activities to determine what types of facilities should be provided and where they should be located. Questions as to environmental consequences, historical and archeologic resources must also be answered. The Service is seeking these answers by scheduling development concept plans in 1987 at Sandstone Falls-Meadow Creek and Prince-Quinnimont-Grand View areas. These plans are scheduled to start by May 1987. Other development concept plans are underway at Canyon Rim-Fayette Station and the I-64 development. These latter two plans should be finished by September 30.

DENALI NATIONAL PARK AND PRESERVE

Near-term construction is focused on the development of the South District of the park, where the State of Alaska has proposed new visitor developments at Denali State Park. The Service has proposed a visitor contact facility and associated seasonal housing at the Talkeetna area to serve south side visitors. The estimated cost for these facilities is $1.9 million. The Park's next priority would be for a new maintenance and storage facility, a replacement ranger station and associated seasonal housing at the Wonder Lake area. The estimate is $2.6 million.

JEAN LAFITTE NATIONAL HISTORICAL PARK AND PRESERVE

The next development plans include completion of the Big Woods developed area at the Barataria unit ($1,300,000); reconstruction of roads, trails, exhibits and utilities at the Chalmette Monument ($1,089,000); rehabilitation of the Chalmette Monument ($150,000); visitor facility improvements at the Wagner Bridge, Barataria ($800,000); and construction of the three planned Acadian Cultural Centers at Eunice, Thibodaux and Lafayette ($2,000,000 for each center).

HOT SPRINGS NATIONAL PARK

The next planned construction for Hot Springs includes rehabilitation of the Administrative building and restrooms building ($786,000); completion of the redevelopment of bathhouse row ($2,358,000); the construction of a thermal water storage reservoir ($2,920,000); rehabilitation of the park road system ($2,620,000); rehabilitation of the Lamar Bathhouse ($917,000) and completion of the park perimeter trail and music mountain loop ($161,000).

BUFFALO NATIONAL RIVER

The next planned visitor developments for Buffalo National River include phase II construction of visitor facilities at Tyler

Bend ($3,829,000) and completion of visitor development at Erbie ($1,300,000).

LAND ACQUISITION

Question: Please provide for the record the Land Acquisition priorities for $50, $100, and $150 million levels.

Answer: The following table identifies priorities at the levels requested. While these activities are recommended to be deferred, they could be undertaken in 1988.

National Park Service Land Acquisition Priorities, Fiscal Year 1988
(in thousands of dollars)

Area	$50 Million Level	$100 Million Level	$150 Million Level
Acquisition Management	6,500	6,500	7,500
Congaree Swamp National Monument	12,000	12,000	12,000
Deficiencies	4,000	4,000	4,000
Emergency and Hardship	3,000	2,000	2,000
Inholdings	2,000	4,000	5,000
Appalachian National Scenic Trail	4,000	7,000	14,000
Manassas National Battlefield Park	1,000	1,500	2,000
Grant-Kohrs Ranch Natnl Historic Site	600	600	600
Alaska Parks	1,000	2,000	5,000
Olympic National Park	1,500	3,000	3,000
Golden Gate National Recreation Area	1,500	2,000	4,000
Gulf Islands National Seashore	500	500	800
Chattahoochee River Natnl Recrtn Area	2,000	4,000	7,000
Delaware Water Gap Natnl Recreatn Area	1,000	2,000	3,000
New River Gorge National River	1,969	4,000	5,000
John Day Fossil Beds National Monument	250	250	250
Cumberland Island National Seashore	1,000	1,000	1,000
Cuyahoga Valley Natnl Recreation Area	1,000	3,000	5,000
Voyageurs National Park	1,000	2,000	4,000
Ebey's Landing Natnl Historical Reserve	79	79	79
Antietam National Battlefield	500	500	1,000
Acadia National Park	1,000	2,000	3,500
Saratoga National Historical Park	204	204	204
Golden Spike National Historic Site	298	298	298
Indiana Dunes National Lakeshore	1,000	1,000	1,000
Big Thicket National Preserve	1,000	2,000	2,000
Great Basin National Park	100	200	200
Channel Islands National Park	0	13,000	13,000
Sleeping Bear Dunes National Lakeshore	0	1,000	1,000
Lyndon B. Johnson Natnl Historical Park	0	500	500
Virgin Islands National Park	0	3,000	8,000
Lower Saint Croix National Scenic River	0	500	500
Monocacy National Battlefield	0	1,000	1,000
War in the Pacific Ntnl Historical Park	0	1,000	2,000
Pictured Rocks National Lakeshore	0	200	500
Santa Monica Mountns Natnl Recrtn Area	0	10,444	25,344
Martin Luther King, Jr. Natnl Hist Site	0	500	500
Bent's Old Fort National Historic Site	0	225	225

National Park Service Land Acquisition Priorities, Fiscal Year 1988
(in thousands of dollars)

Area	$50 Million Level	$100 Million Level	$150 Million Level
Saint Croix National Scenic River	0	1,000	1,000
Kalaupapa National Historical Park	0	0	2,500
Point Reyes National Seashore	0	0	500
Totals	50,000	100,000	150,000

SECRETARY'S CONTINGENCY GRANT FUND

Question: Are unobligated funds available from the Secretary's Contingency Grant Fund (p.229)?

Answer: Yes. As of January 31, 1987, a total of $100,323.98 in reverted deobligations from previous grants to the States were available in the Land and Water Conservation Fund (L&WCF) Contingency Fund account.

Question: Please describe the Fund for us and display the past three years' budget history.

Answer: Since fiscal 1981, Congress has made no allowance for new appropriations to be deposited in the L&WCF Contingency Fund, and no contingency grants have been awarded. However, some money is returned to this account on an occasional basis from deobligations due to cost underruns on previously approved grants. In recent years, a combination of reduced funding and greater NPS emphasis on timely closeout of projects has increased closeout rates with concommitant increase in such recoveries.

Most of the recovered funds from regular State apportionments are returned to the States and reobligated, under reapportionment procedures tnat give States incentives for timely and accountable grants administration. Recovered funds are reapportioned to recovering States on a regular basis if they can demonstrate a need for the funds through documentation of pending applications and timely expenditure rates. Only small percentages of the funds recovered each year revert to the Contingency Fund account. These reversions have been the basis for previous Congressional approvals to use Contingency Fund monies in administration of L&WCF grants, as shown below:

Contingency Monies Approved for Grants Administration

Fiscal Year	Amount
1984	$2,300,000
1985	318,000
1986	852,000
1987 to date	893,000
Total	4,363,000

Because of reduced funding and better administrative performance by the States, unexpected State Grant balances are now at their lowest point in 10 years, so it is anticipated that recoveries to the Contingency Account will be fairly small in 1987 and subsequent years.

HISTORIC PRESERVATION FUND

Question: What is the Service's assessment of the effectiveness of the National Trust for Historic Preservation's Critical Issues Fund?

Answer: The National Trust obligated the $500,000 of Historic Preservation Fund grant assistance provided for the Critical Issues Fund on September 26, 1984. The Service has been notified by the National Trust that 20 subgrants for the sum of $225,950 have been awarded by the Trust as of February 25, 1987. The expenditures reported to the Service total $240,675 as of February 1, 1987, leaving an unexpended balance of $259,325. The largest subgrant has been $33,450 to the city of Atlanta for development of the historic preservation aspects of its Downtown Plan.

The first 12 subgrants have been completed; the Service is awaiting the submission of completion reports from the National Trust before assessing the accomplishments of the Critical Issues Fund to date. However, the Service does feel that the National Trust has funded a wide range of diversified projects that address, from a planning perspective, problems that many communities face in fighting to preserve their cultural resources.

ADMINISTRATIVE PROVISIONS

Question: What is the inventory and distribution by age and mileage of the Service's passenger motor vehicles (including as a separate category policy-type vehicles), buses, and airplanes?

Answer: The following chart provides the Service's distribution of motor vehicles and aircraft by age:

Motor Vehicles

Model Years	Mileage[1/]	Standard[2/] Passenger Carrying Vehicles	Law[2/] Enforcement Vehicles	Ambulances	Buses
Prior 1981	Over 70,000	49	145	9	30
1981	60,000-69,999	35	85	0	3
1982	40,000-59,999	38	46	0	9
1983	30,000-39,999	22	21	1	1
1984	20,000-29,999	44	142	1	7
1985	10,000-19,999	19	41	0	0
1986	0- 9,999	27	27	0	0
	Total	234	507	11	50

1/ The mileage ranges reflected are distributed based on the age of the vehicles and a Motor Vehicle Utilization Study conducted in 1986. Mileage reflected does not apply to buses and ambulances.

2/ General replacement criteria for standard and law enforcement carrying vehicles at 6 years or 60,000 miles, whichever occurs first, is established by 41 Code of Federal Regulations 101-38.

Aircraft

Type	Year Purchased
Helicopter, Rotary Wing	1979
Helicopter, Rotary Wing	1983

No aircraft will be acquired in 1988.

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

Question: What is the status of claims processing for ARBA Licensees?

Answer: The Office of Inspector General is responsible for auditing the 12 alleged breach of contract claims submitted to the Department by American Revolution Bicentennial Administration (ARBA) licensees. As of March 3, 1987, the status of the audits is as follows:

- The audit of one claim (Limited Editions Collectors Society, Inc.) has been completed. Report was issued on February 25, 1987.
- Audit fieldwork has been completed on three claims. Reports are in process.
- Audit fieldwork is in process on two claims.

All audits are to be completed by September 30, 1987.

EDUCATIONAL EXPENSES AT YELLOWSTONE NATIONAL PARK

Question: What is causing the variation in funding for educational expenses at Yellowstone?

Answer: Additional funds totaling $945,000 were made available to Yellowstone National Park in 1986 to assist in the rebuilding of the Gardiner School following a fire which caused extensive damage to the building on November 15, 1985. The total funding required to reconstruct the facility is $3,945,000.

Insurance covered approximately $2 million and $1 million was to be generated from the school building reserves and a bond issue. The National Park Service agreed to fund the remaining $945,000 since the school's enrollment reflects that 68.7 percent of the students are children of Yellowstone National Park employees. Although the funds were obligated in 1986, the outlay will not occur until 1987, thus explaining the variations for 1986 and 1987 for the educational expenses children of employees, Yellowstone National Park appropriation shown on page 319 of the Budget Justification.

DELAWARE WATER GAP NATIONAL RECREATION AREA

Question: What is the budget history to date for operating expenses at Delaware Water Gap?

Answer: Delaware Water Gap has received revenues from the collection of fees charged to commercial vehicles for the use of Route 209 since 1984. The revenues generated are as follows:

Fiscal Year	Amount
1984	$423,000
1985	425,000
1986	435,000
1987	450,000 (estimated)
1988	450,000 (estimated)

Question: How much is spent in addition to this Miscellaneous Permanent Appropriation?

Answer: The regular operating budget for Delaware Water Gap National Recreation Area is included under the "Operation of the National Park System" appropriation. Obligations are shown below:

Fiscal Year	Amount
1984	$3,317,200
1985	3,532,100
1986	3,487,000
1987	3,775,200 (estimated)
1988	3,870,100 (estimated)

TRUST FUNDS/DONATIONS

Question: What is the basis for the estimate of Trust Funds for capital investments and operating expenses from donations?

Answer: Capital investments are obligations for equipment, lands and structures; operating expenses are all other obligations. The estimate for donations includes obligations of $6.7 million in fiscal 1987 and $9.7 million in fiscal 1988 for Statue of Liberty-Ellis Island restoration projected according to information on anticipated project costs. Also, included are projections of $3.0 million in both fiscal 1987 and fiscal 1988 for other work to be financed from anticipated donations, including those received through donation boxes in the park areas. This projection is based on prior year actual income averages.

Question: Why is there an unobligated balance carried forward each year?

Answer: There is an unobligated balance carried forward in the Miscellaneous Trust Funds for several reasons. Donation received and deposited in the "National Park Service Donations" account are, for the most part, unpredictable in nature. An individual donation may be large or small. In either case, each is treated as a separate account. These funds are spent in accordance with the wishes of the donor. Many of the larger accounts are to fund long-term maintenance in specific areas and thus the funds are obligated in time for that purpose--not necessarily in the year received. Time is required for planning to properly and effectively use the donated funds to the maximum advantage of the park or program. Since there are many individual accounts, each with a possible balance, the cumulative effect can be quite large.

The other "Trust Fund" Accounts, Preservation, Birthplace of Abraham Lincoln and Jefferson National Expansion Memorial, were established for the purpose of long-term maintenance and preservation of the areas. These funds "carry over" and are used when necessary for those purposes.

JEFFERSON NATIONAL EXPANSION MEMORIAL
NATIONAL HISTORIC SITE COMMISSION

Question: For the Jefferson National Expansion Memorial Commission, what activities are authorized after completion and submission of the development and management plan?

Answer: Section 8 of Public Law 98-398 requires the Commission to develop a Development and Management Plan for the East St. Louis portion of the memorial. Other sections of the Act provide for a 10-year life of the Commission and extensions if necessary to carry out applicable provisions of the Act.

Question: When will the plan be completed?

Answer: Submittal of the Development and Management Plan to the Secretary of the Interior by the Commission is scheduled for August 1987.

Questions Submitted by Senator Patrick J. Leahy

VOLUNTEERS-IN-PARKS AND STUDENT CONSERVATION ASSOCIATION PROGRAMS

Question: The National Park Service is requesting an increase in funds for the Volunteers-in-Parks (VIP) program for FY 88. I recognize that volunteers can offer a cost effective means for providing additional visitor assistance and help to meet management objectives. I also note that there is a separate budget item for the Student Conservation Association (SCA) which provides comparable services to the Volunteers-in-Parks program.

Is it your opinion that an increase in funding for the VIP program would be more beneficial than an increase for the SCA? Do you have any estimate as to how the VIP and SCA programs compare in return on the public investment, that is the value of work accomplished per public funds spent?

Answer: Yes, an increase in funding for the Volunteers-in-Parks (VIP) program would be more beneficial. The VIP program returns approximately $35.00 in value of work accomplished for each dollar of appropriated funds spent. The Student Conservation Association (SCA) program returns, on an overall average, approximately $2.50 for each dollar of appropriated funds spent.

Question: It is my understanding that the SCA received almost twice as many requests for volunteers from NPS units as FY 87 funding would allow them to field. This indicates considerable interest in SCA volunteers on the part of field personnel. Do you believe that an increase in the VIP program would be preferred by field personnel over an increase for SCA, or a combination of the two?

Answer: Yes. Through the VIP program, field personnel can utilize the full range of skills, talents and experience that is available in the American Public. All ages and walks of life can be tapped. In the SCA program, only a limited age group and skill level is available. Also, the Service realizes a much greater return for each dollar spent on the VIP program than it does on the SCA program.

Question: Do you have any figures to indicate how involved VIP is with minorities, low-income youth and physically disabled individuals? I am aware that SCA makes a special effort to include these populations.

Answer: We do have a number of volunteers throughout the National Park System that fit into the above categories, but we do not collect the type of detailed statistics on the VIP program that would allow us to break out individual volunteers by such categories.

Question: Can VIP funds be used to cover the costs of SCA volunteers at the discretion of individual parks? If not, would you support such a cooperative agreement?

Answer: No. The two programs, while similar in some respects, serve very different purposes. The SCA program is a

student enrichment program which, while being of mutual benefit to both the individual student and to the Service, is limited in scope and in the value of work accomplished per public funds spent. The VIP program, on the other hand, can be utilized across the board in all aspects of park management, is almost unlimited in both scope and potential, and returns a very high value of work accomplished per public funds spent. (In fiscal 1986, $465,000 in public funds was converted into $16,104,090 worth of work accomplished, through the VIP program.) Because of the significant differences in these two programs, and the differences in the manner in which they are administered, we do not support the mingling of the funds for these two programs.

TECHNICAL ASSISTANCE FOR RIVERS AND TRAILS

Question: How much money will be spent this year for technical assistance for trails under National Recreation and Preservation for rivers and trails?

Answer: At this time, we have earmarked an estimated $100,000 to trails activities for 1987. Additional amounts may be expended by the Regional Offices from savings made on other projects.

Specific trial allocations were made, to develop a Cliff Walk Cooperative Management Plan in Newport, Rhode Island, in the North Atlantic Region, and to fund trails workshops in the Mid-Atlantic Region. Trail activities in the Washington Office include minimal work on National Trails System coordination and information exchange (includes implementation of President's Commission on Americans Outdoors recommendations for "Greenways"), processing National Recreation Trail designations, and work on the National Trails Assessment and Nationwide Trails Inventory/Regional Trails Guides.

Question: The Vermont Rivers Study has been very successful in encouraging local conservation along the Battenkill and White Rivers. Would it be appropriate, in light of the recommendations of the President's Commission on Americans Outdoors for developing a national network of greenways, to use the rivers and trails technical assistance program to help establish and protect such a network?

Answer: The State and Local Rivers and Trails Conservation Technical Assistance Program is proposed for elimination in 1988. The Service believes there are numerous programs at the State and local level which would be more appropriate fund sources to help local planners develop strategies to implement those recommendations contained in the Commission's report that focus on developing recreational and conservation greenways.

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Question: Vermont's Long Trail, which is the Nation's oldest long-distance hiking trail and which is seriously threatened by land sales and development, was denied technical assistance funding this year. What is the likelihood that a Long Trail study might be funded in fiscal 1988?

Answer: The State and Local Rivers and Trails Conservation Technical Assistance Program is being proposed for elimination in 1988 in an effort to reduce Federal spending. If this proposal is adopted no funds will be available for State and local river and trail studies or assistance projects.

Questions Submitted by Senator Dennis DeConcini

OVERVIEW

Question: I see that the Administration has proposed an overall reduction of $108 million for the Service from the FY 87 level. Most of this reduction comes in the area of construction and land acquisition. At the same time, you are asking the American citizens who visit our National Parks to pay up to $10 per vehicle to visit some of our national parks. How do you justify an overall $108 million reduction in light of the new fees you are recommending be charged at our parks?

Answer: The proposed net reduction of $108.3 million is due largely to the fact that the Administration is proposing to eliminate State grant programs under the Historic Preservation Fund and Land and Water Conservation Fund, and cut back funding for the acquisition of additional park land and for major capital developments. The total requested to operate parks, to protect park resources and provide essential services to visitors, represents a $41.1 million increase over 1987. We believe that an increase in fee rates is appropriate so that park visitors, not the general taxpayer, pay a larger share of the increased cost of operating the units of the National Park System.

NATIONAL PARK SERVICE CONSTRUCTION

Question: What is the overall dollar requirement for construction needs at our national parks?

Answer: The Service maintains a backlog file of construction projects that have been assigned a Servicewide priority. Presently this list includes 514 projects with an estimated cost of $1.465 billion. These projects are not mandatory and reasonably depend on the overall fiscal situation and budget priorities.

Question: Are there examples where health and safety requirements will be sacrificed because of a lack of construction dollars? If so, please identify those parks and the construction dollar requirements?

Answer: Health and safety projects have not been sacrificed because of a lack of construction dollars. Since 1982 major emphasis has been placed on completing the most urgent health and safety projects. Care will continue to be taken to ensure that urgent needs are given top priority. The 1988 funding represents a minimum level necessary to address the most urgent health, safety, resource protection and facility repair needs of the Service.

Question: Will any of the funds generated from the new fees be used for construction purposes?

Answer: No revenues from recreation fees will be used for construction. Under the proposed budget they are earmarked only for park operating needs.

PARK FEES

Question: I see again that the Park Service is proposing to raise the maximum fees to be charged at our national parks to $10.00. Recognizing that the new fees have only been in place for a short time, can you give us any type of update on how the current increases are being received by the public?

Answer: In our original legislative submission last year, we asked for a maximum $10 fee. This amount would be applied to 11 areas rated by the Land and Water Conservation Fund (L&WCF) criteria as a prime fee category. These parks include Yosemite, Sequoia, Yellowstone, Grand Teton, Grand Canyon, Everglades, Big Bend, Mesa Verde, Mount Rainier, Rocky Mountain and Glacier National Parks. The other 123 fee areas would remain at their present fee level. In most of the existing and new fee areas there is little concern over the new entrance fee program. Most of the complaints we have received are a result of a misunderstanding as to how the fee program will be handled. For example, we do not intend to charge commuter traffic through Valley Forge National Historical Park, or for visitors wishing to visit a gravesite at one of our national cemeteries.

Question: I am concerned about the $5.00 fee that is being charged at the Petrified National Forest in Arizona. How was that fee arrived at?

Answer: In using the L&WCF criteria against all the areas of the National Park System areas, Petrified scored a 4, which placed it in the Intermediate category (4 to 6 points). The criteria compares size of parks budgets, depth of experience provided, cost per visit, comparable fees charged by non-Federal public agencies, and the economic and administrative feasibility of fee collection.

Question: I am obviously worried about the impact on visitation at the Petrified National Forest. Raising the fee from $1.00 to $5.00 per vehicle entry is a 500 percent increase. Wouldn't it make more sense to raise the price at this park to $3.00 instead of $5.00, or as in your new proposal $10.00?

Answer: Entrance fees were last raised 15 years ago, in 1972. Certainly raising the fees in increments was an option, however, it was felt that the $5.00 level for intermediate areas was a reasonable amount based on a 1982 GAO report (GAO/CED-82-84).

There are some conditions which make the $5.00 fee acceptable to most of the visiting public: (1) the permit is good for 7 days; (2) fees collected remain with the National Park System; (3) there is a $15 annual park pass which admits the permittee and any accompanying persons in a single, private, noncommercial vehicle to unlimited access for the calendar year into the park; (4) no children under 13 are charged; (5) educational groups are exempt; (6) persons 62 and older are exempt; (7) permanently blind and disabled are exempt; and (8) the availability of the Golden Eagle Passport allows for unlimited access to all fee areas in the National Park System.

Question: How has this new fee affected visitation so far at Petrified Forest?

Answer: The Service has no information as yet on the impact of the higher fee rate on park visitation.

Question: Do you consider the type of services offered at Petrified National Forest to be similar to those at other parks like the Grand Canyon where a fee of $10.00 per vehicle is proposed for FY 88? If no, please explain why the fees proposed are the same for both.

Answer: The proposed fees for both areas are not the same for 1988. While the type and quality of services offered at the Grand Canyon and Petrified Forest might be similar, the depth of the experience would differ. This is why we proposed the Grand Canyon at $10.00 rather than $5.00. We do not feel that Petrified Forest is overpriced, but rather that Grand Canyon is underpriced based on the $5.00 cap in effect for 1987.

Question: If statistics demonstrate that visitation is being adversely affected by the new fees, what authority does the Service have to adjust fees?

Answer: If visitation is being adversely affected, and it does not appear to be the case at this time, adjustments can be made under the L&WCF criteria to reduce points under the category of "Public policy or interest served." This criteria was determined to be more appropriately used after the results of the entrance fee program were reviewed.

SAGUARO NATIONAL MONUMENT

Question: Last year, the Congress added $150,000 to the ONPS budget for Saguaro National Monument. Can you tell the Committee how that money will be spent in FY 87?

Answer: The $150,000 add-on for Saguaro is being used to add the following staffing:

Grade	Position
GS-9	Park Ranger (Chief of Interpretation)
GS-5	Biological Technician
GS-4	Seasonal Patrol Rangers
GS-4	Seasonal Interpretive Rangers
WG-1	Maintenance Trail Workers
WG-2	Maintenance Laborer

Funds available from savings due to delays in bringing the above personnel on board in 1987 will be used to purchase a required telephone system for the park. The infusion of this money has provided the capability to meet the primary resource protection and visitor service demands that presently face this monument.

Question: With the imposition of the new fees, how will the budget for Saguaro be affected? Specifically, what activities will be funded by the new fees at Saguaro?

Answer: On February 2, 1987, Saguaro increased entrance fees to $3.00 per carload and $1.00 per single entry from the 1986 level of $1.00 and $.50, respectively. A $10.00 annual pass will be available for use by repeated visitors to Saguaro. Fees are collected at the East Unit of the monument only. The additional funds related to the fee program will be used by the Service to improve resource protection, scientific research, and visitor interpretation. The share of this appropriation given to Saguaro for enhanced park operations amounted to $40,900. Expenditure of this appropriation involves the following projects:

Assistance in funding a major wildlife study to determine impacts of Tucson urbanization within the monument and in the adjacent county buffer zone.

Completion of a research study on fire history necessary in the management of prescribed fire within the monument.

Construction of four interpretive wayside ramadas on the Desert Discovery Trail in the West Unit.

Removal of three empty oil tanks in order to provide required ground water protection in the monument.

Implementation of three planned prescribed burn operations.

Undertaking of an offsite interpretive program.

Completion of 1.5 miles of fence line in the East Unit to protect monument resources from incursion of trespass livestock.

Installation of a greenhouse in which to propagate native plants required to revegetate rehabilitated old road and trail areas.

Rehabilitation of an old road scar that leads to the Yuma Mine outside the West Unit of the monument.

Question: There has been considerable discussion in Pima County about the possible transfer of County lands comprising Tucson Mountain Park to the National Park Service for Saguaro National Monument. Are you aware of this proposal and can the Park Service provide any comments on the merits of this potential transfer?

Answer: A proposal to add the 17,000 acre Tucson Mountain County Park to the Tucson Mountain Unit of Saguaro has originated from within Pima County government circles. The proposal appears to have general support within the community, local and State Governments and the Arizona Congressional delegation. Further, the County is interested in a land exchange through the Bureau of Land Management to obtain lands of comparable value for the 7,000 acres it owns within Tucson Mountain Park. The remaining 10,000 acres is Federal land. The National Park Service is currently looking at better strategies of cooperative management of the Tucson Mountain ecosystem as part of the General Management

Planning process, but is not involved in any negotiations undertaken by the County. The approved Land Protection Plan does not mention land acquisition outside the current boundaries and no land acquisition outside the present boundaries is being envisioned.

Question: Can you provide for the record a detailed listing of how much it would cost the Park Service to take the Tucson Mountain Park lands and provide for operation and maintenance activities?

Answer: Tucson Mountain Park comprises some 17,000 acres immediately west of Tucson, Arizona and shares its northern boundary with the Tucson Mountain Unit of Saguaro National Monument. It includes two of the most popular tourist attractions in southern Arizona (the Arizona-Sonora Desert Museum and Old Tucson, a major movie sound stage and amusement park) as well as locally treasured opportunities for recreation by the residents of metropolitan Tucson.

Inherent in the following operating cost estimates are several important assumptions regarding the proposed transfer:

-- When joined, the Tucson Mountain Unit and Tucson Mountain Park would be managed as one unit (or District) of Saguaro National Monument.

-- Administration and maintenance of the Gilbert Ray Campground would remain the responsibility of Pima County.

-- The Arizona-Sonora Desert Museum and Old Tucson would not be included and would continue to be administered by Pima County under Special Permit or Lease Agreement.

-- Pima County would continue to repair and maintain all paved roads.

MAINTENANCE

Maintenance workload factors include: 1) over 100 miles of horse and hiking trails which are heavily eroded and, in many cases, poorly located; 2) the need to construct trails to link with the existing Tucson Mountain Unit trail system and the need to close and obliterate inappropriate trails; 3) the purchase, installation and maintenance of standardized directional, informational and interpretive signs; 4) routine roadside trash collection along over 20 miles of roadway; 5) maintenance and repair of an archery and a firearms range (currently operated by the County) until such facilities can be relocated by the County; 6) trash collection, maintenance and repair of 15-20 designated scenic overlooks and traffic pullouts; 7) trash collection, maintenance and repair of approximately 5 developed and highly utilized group and single family picnic areas; and 8) supervisory capability needed to manage a significant expansion in workload and workforce.

	FTE	Cost
WG-2 Worker (Seasonal)	2.0	
WG-3 Laborer (FTE Seasonal)	5.5	
WG-3 Wage Supervisor	1.0	
WG-5 Skilled Worker	2.0	
WL-5 Crew Foreman	1.0	
Total	11.5	235,000

ADMINISTRATION

Administrative workload factors cannot be accurately quantified at this stage. They involve the preparation, processing and tracking of all administrative documents related to personnel (position descriptions, job advertisements, employee selection and evaluation, payroll, etcetera) procurement actions, budget development and tracking, correspondence, reports, mail and files, etc., as well as the expanded nature and complexity of the overall administrative workload throughout the Monument should this addition take place.

	FTE	Cost
GS-3 Procurement Assistant	1.0	
GS-3 Project Clerk	0.8	
GS-3 Clerk Typist	0.8	
GS-2 Mail and Files Clerk	0.5	
Total	3.1	42,000

INTERPRETATION

Workload factors here include the planning and development of interpretive exhibits and roadside displays (waysides), exhibits and programs; supplementing the Monument's existing publications program, and revising brochures, map and informational handouts; coordinating the services of an extensive network of volunteers; and conducting both scheduled interpretive programs and informal "roving" interpretive presentations.

	FTE	Cost
GS-7 Park Ranger	1.0	
GS-4 Park Ranger (Seasonal)	1.0	
Total	2.0	40,000

VISITOR PROTECTION

Significant workload factors would be added in this area. With the addition of 17,000 acres to the existing land base of the Tucson Mountain Unit, the protection of backcountry users (as manifested in visitor assists, search and rescue efforts, interdiction of illegal hunting and prospecting, etcetera) as well as the management of their impacts would become a significant focus. In addition, the proximity of this area to Tucson and the recreational use by urban residents (as witnessed by documented

numerous incidents of traffic accidents, illegal hunting, occult activity and disorderly conduct) could create a significant additional workload.

	FTE	Cost
GS-7 Park Ranger	2.0	
GS-5 Park Ranger	1.0	
GS-4 Park Ranger (Seasonal)	1.0	
Total	4.0	73,000

SUMMARY

A reasonable ratio of personnel support costs for total field operations in National Park Units is 80:20. With this in mind, total support costs (supplies, materials, equipment, utilities, etcetera) is $80,000.

An overview breakdown of costs can be summarized as follows:

	FTE	Cost
Maintenance	11.5	$235,000
Administration	3.1	42,000
Interpretation	2.0	40,000
Visitor Protection	4.0	73,000
Total Support	-0-	80,000
Grand Total	20.6	470,000

GLEN CANYON NATIONAL RECREATION AREA

Question: I understand that the Park Service is considering a legislative proposal to charge fees at Glen Canyon National Recreation Area. Can you give me an updated status report on the legislative proposal and a short explanation?

Answer: The National Park Service had considered the need for a legislative proposal on fees for Glen Canyon National Recreation Area because of questions raised as to the legality of charging a special use fee for a publicly held reservoir. The objective of a fee program for the park will be to generate sufficient revenues to cover increased operating requirements that will result from concessioner developments at various locations in the park. The proposal is currently under discussion within the National Park Service.

Question: Last year, Congress added $900,000 to the ONPS budget for the Glen Canyon National Recreation Area. Can you tell the Committee how these funds will be spent in Fiscal Year 1987?

Answer: The additional $900,000 is programmed primarily for personnel, supplies, and support costs. An additional 3.3 FTE's of maintenance personnel will be located at Antelope Point, Lone Rock, Halls Crossing and Lees Ferry to maintain and clean facilities. An amount of $130,000 will be used to provide services under contract, such as solid waste pickup and disposal. An additional 9.8 FTE's of rangers will be located at Antelope

Point, Halls Crossing, Lone Rock and Bullfrog to provide visitor services including emergency medical assistance, boat and land patrols, and a 24-hour, parkwide radio dispatch service. An additional 4.8 FTE's of ranger interpreters will be located at Lees Ferry, Wahweap, Escalante, and Dangling Rope to provide visitor information and services to areas that currently do not have this service. An additional 3.5 FTE's of Management personnel will provide parkwide support services in safety, quarters management, public affairs, and property management functions.

Question: Has this additional funding lessened the burden on Park Service personnel at Glen Canyon in terms of providing services to the public?

Answer: The additional funding has increased the quality and frequency of the service to the visitors of Glen Canyon National Recreation Area, and allowed us to place personnel in areas where maintenance and protection coverage was insufficient.

Question: What additional funding is necessary to accommodate growing development needs and demands at Glen Canyon?

Answer: We project that as new facilities are developed over the next 5 years and visitor use increases, Operation of the National Park System funding must increase by an additional $2.3 million to provide adequate visitor and resource protection to Glen Canyon National Recreation Area. The $2.5 million will be used for an additional 58.3 FTE's of personnel to provide visitor and resource protection, visitor services, and maintenance of facilities at Wahweap, State Line, Lone Rock, Lees Ferry, Dangling Rope, Bullfrog, Halls Crossing, San Juan, Antelope Point, and Escalante. In addition to funding the additional positions and support costs, the funds would provide increased support to the aircraft function, GSA vehicle use, fuel for electric power generators, and boat operations. The Service is considering a strategy to cover these increased costs with revenues generated from a special user fee.

Question: Can you tell me about the proposed marina development at Antelope Point with the Navajo Tribe?

Answer: The Navajo Nation has signed a concession contract with the National Park Service for a marina development located at Antelope Point on Lake Powell. This contract, together with one for a similar development at Paiute Farms, has been submitted to Congress for review and is expected to be signed in late April.

Question: How far along are the plans and what financial resources are required to get construction underway?

Answer: The SEVA Development Corporation of Scottsdale, Arizona, selected by the Navajo Nation to construct the Antelope Point Maria, has submitted plans for National Park Service review. We expect plans to be approved and a permit issued in time for construction to commence in April, 1987. The developers are aware that National Park Service construction funds are not currently available for marina area infrastructure and that they must make provision for this if construction is to start this spring.

Question: I understand the Glen Canyon NRA is not included in the list of parks to be charging fees under the overall fee proposal. If Glen Canyon were to be included, do you believe the funds returned to the park would be sufficient to cover the costs of development necessary to respond to public demand for services?

Answer: Glen Canyon National Recreation Area was excluded from the list of parks charging fees as there is some question as to the legality of charging a fee for the use of a publicly held reservoir based on language contained in the Land and Water Conservation Fund Act of 1965. The resolution of this issue, and the authorization of permanent legislation on National Park System fees will determine if fees can be charged at Glen Canyon, or if special legislation will be necessary. Once resolved, a Special Recreation Use Fee would be proposed for the park, and if visitation remains about the same, the revenues generated would appear to be adequate to support expanded visitor facilities.

GRAND CANYON NATIONAL PARK

HOUSING

Question: Last year, the Committee included language in the Conference Report asking the Secretary to undertake a study of housing shortages at our national parks and outline a series of alternatives to resolve the housing shortage problem. Can you give me the status of that study and if completed, briefly outline the options?

Answer: The study on the housing shortage has been submitted to the Assistant Secretary for Fish and Wildlife and Parks for review. The Assistant Secretary has requested additional data which the Service is in the process of consolidating. Upon approval by the Secretary, the study will be forwarded to the Committee.

Question: In particular, what do you see as the solution for the housing problems at Grand Canyon National Park and what is the cost?

Answer: At Grand Canyon National Park it has been determined that at least 50 percent of the present housing units will require major rehabilitation. A precise assessment of cost estimates has not been completed. In addition 68 units are needed to replace obsolete units and to provide additional accommodations for seasonal and permanent park employees. Preliminary estimates indicate that to provide quality housing designed to assure life cycle cost effectiveness will average $75,000 per unit.

Question: How much would it cost to take care of the most critical housing needs within the Park?

Answer: The most critical need at Grand Canyon is to rehabilitate substandard units and to replace obsolete trailers. Rehabilitation is estimated at $1.1 million and 19 new units to replace substandard seasonal trailers are estimated at $1.5 million. The park will then still require an additional 49 units to properly house permanent (year-round) employees.

NORTH RIM FENCING

Question: In FY 87 the Committee added $435,000 to the budget for fencing on the North Rim of the Canyon. I understand those funds may not be necessary for the fencing any longer. Could those funds be reprogrammed for housing at the Canyon? If so, does the Service plan to come forward with a reprogramming request?

Answer: Trespass livestock are presently impacting approximately 160,000 acres of parklands. Fencing is needed along 60 miles of park boundary in several different areas to prevent those livestock from adjacent lands from trespassing into park lands. The currently funded project is adequate to fund construction of only 35 miles of the necessary fence. The contract specifications currently under preparation call for a combination of boundary fence and drift fencing along livestock access points depending upon cost-effectiveness. A possible land exchange under consideration by the Bureau of Land Management could reduce the scope of the current project by approximately 5 miles, resulting in an estimated savings of $120,000; however, overall park fencing needs are still significant.

Once fencing needs have been met, a reprogramming could be possible, given the current fencing backlog, it is unlikely that surplus funds would be available from the $435,000.

ORGAN PIPE CACTUS NATIONAL MONUMENT

Question: In the FY 87 bill, the Committee added $247,000 to the Park Service budget for a resource evaluation of sensitive habitat in the Organ Pipe National Monument. Can you tell me the status of that study and, if completed, briefly summarize the findings.

Answer: The rapidly expanding agricultural program and resultant high density urban development on the Mexican border is affecting ecosystem functioning within the park. The current rate of expansion forces an immediate need for research to define how agricultural impacts are affecting park resources. Baseline information and monitoring procedures are needed to allow comparisons of future impacts.

This project received funding of $247,000 for 1987. Contracts and cooperative agreements with the Cooperative National Park Resources Studies Unit will be finalized by June 1987, at which point the study will be undertaken.

Question: Is the $247,000 sufficient to complete the resource evaluation?

Answer: The current funding level is sufficient to complete the resource evaluation as originally outlined in the Organ Pipe Cactus Natural Resources Management Plan.

Questions Submitted by Senator Quentin N. Burdick

KNIFE RIVER INDIAN VILLAGES NATIONAL HISTORIC SITE

Question: Assuming that the proposed rescission of FY 87 planning funds is not approved by the Congress, what level of funding would be necessary to proceed with the next phase of planning and construction work at the site?

Answer: We originally estimated $435,000 would be required for advanced planning, mostly for archeological mitigation activities. We have subsequently determined that the location of the proposed visitor/administrative facility will avoid most archeological sites and anticipate that the $435,000 would be sufficient to complete phase I and a portion of phase II design work. To complete drawings and specifications and exhibit design, $140,000 will be needed and the amount of $1,963,000 will be needed to complete construction and exhibit production. An increase in the authorized development ceiling would be needed before construction could be completed. The remaining authorized ceiling is $1,992,000.

Question: According to Park Service planning documents, under optimal funding levels, what would be the projected date of completion for the project.

Answer: Assuming an increase in the development ceiling is authorized and funds proposed for rescission are made available in April 1987, the following schedule could apply:

Complete preliminary design	-	November 1987
Complete construction documents	-	March 1988
Award construction contract	-	October 1988
Complete facility construction	-	September 1989

FORT UNION TRADING POST HISTORIC SITE

Question: Again, assuming that the proposed rescission of FY 87 funds will not be approved by the Congress, what level of funding would be necessary to proceed with next year's construction work?

Answer: In order to do mitigative archeology and proceed with construction of the Bastions and start the Palisade foundation as planned, $700,000 will be required, plus an additional $850,000 to complete the Palisade construction.

Question: What is the projected completion date for Fort Union under optimal funding levels?

Answer: The projected completion date is September 1989.

Questions Submitted by Senator Dale Bumpers

FORDYCE BATHHOUSE--HOT SPRINGS NATIONAL PARK

Question: The renovation of the Fordyce Bathhouse at Hot Springs National Park is well under way. What is the expected date of completion of the project?

Answer: The expected date of completion is June 1988 for the renovation activities, and the exhibits should be in place by the end of July 1988.

Question: Congress has provided $5.1 million for the Fordyce Bathhouse project over the past two years. Will this funding be sufficient to complete the renovation of the bathhouse for use as the park's visitors' center?

Answer: Yes, barring unforeseen emergencies, the funding made available should be sufficient.

Question: Other than structural renovation of the building, what other renovation work will be necessary to complete the Fordyce Bathhouse for use as the visitors' center? Are the funds available at present to complete this work?

Answer: Additional renovation work required for the Fordyce Bathhouse includes the complete interior rehabilitation of the building, including the elevator; reconstruction of the utility connections to city systems; improvements to permit handicapped accessibility at the front of the building; and landscaping around the building, including grading, site restoration and revegetation. Sufficient funds are available to complete this work, barring unforeseen circumstances.

Question: Will the $5.1 million previously appropriated be sufficient to fund landscaping activities, exhibit construction and related interpretation activities for the visitors' center?

Answer: Yes, funding is sufficient for restoration, exhibits and landscaping.

Question: Does the National Park Service have plans to increase the operating budget and the number of FTE's at Hot Springs National Park upon completion of the Fordyce Bathhouse Visitors Center?

Answer: When the facilities begin full operation in late 1988, additional operating funds and positions will probably be required. Exact estimates for these requirements have not been finalized at this point in time but we would expect to accommodate these needs within the level of funds requested for 1988.

Questions Submitted by Senator James A. McClure

ENTRANCE FEES

Question: In fiscal year 1987, Congress authorized the Park Service to collect entrance fees at certain National Parks. It was anticipated that these entrance fees would raise about $52,000,000 during the year.

In FY 88, you are proposing to increase fees at some parks, initiate fees at other parks and revenues will be increased to $74,000,000.

While we really don't know the exact amount that will be raised in FY 1987, it does appear that your FY 88 estimate is low.

Would you agree or do you feel that our FY 88 estimate is low?

Answer: The Service's current estimate for total receipts from all fees in 1987 is $52.8 million. Most of the projected increase over the 1986 level of $20.6 is the direct result of higher rates at current entrance fee parks, new entrance fees for 72 parks, and an increase in the price of the Golden Eagle annual pass. We believe that the $52.8 million figure is reasonable given the many unknowns involved with expanding the fee program. The revenue estimate for 1988--$74.3 million--was developed using the same assumptions as the 1987 figure with appropriate adjustments made for higher fee rates at 11 parks and the addition of 22 new fee areas. We have no basis for concluding that either figure is low.

Question: In your FY 88 proposal, you request that all of the $74,300,000 in entrance fees be retained by the Park Service. Of this amount, $18.5 million is for enhanced park operations, $11.6 million is for fee collection, $8.4 million is for the Repair and Rehabilitation program, $1.0 million for the Volunteers-In-Parks program. The remainder of the revenue goes to various other programs.

In looking at this proposal , however, some of the programs proposed to funded with increased fees are programs that probably would have been funded with appropriated dollars anyway. For example, $500,000 has been appropriated for years for the Volunteers-In-Parks program and now $1.0 million for this program will come from entrance fees.

I certainly hope that you are not utilizing the fee proposal to cover up the use of the fees for increased pay costs or increased retirement costs.

What will the Park Service do if the revenues raised through fees are above the $74,300,000 estimate?

Answer: In 1987 and prior years appropriated funds were used to fund programs that the Service is proposing to cover with fee revenues in 1988. This does not include increased pay and retirement costs, however. If revenues raised through fees exceed

$74.3 million the balance would be carried over to 1989 and used to further enhance interpretation, research, and resources protection in the parks.

Question: Is there an additional list of programs to be funded?

Answer: We have not prepared an additional list of programs to be funded.

Question: In drafting the language authorizing entrance fees, Congress appropriated $15,000,000 additional in FY87 to enhance park operations. Fifty percent of these funds were to be distributed to units based on operating expenses and fifty percent to be distributed to units based on entrance fee collections.

In your FY88 proposal you have requested an additional $18,500,000 for enhanced park operations to be distributed by formula in the "same general manner as in FY88."

How will the FY88 formula differ from the FY87 formula?

Answer: The formula we envision using in 1988 would differ in several respects from the 1987 formula. First, revenues from user fees as well as entrance fees would be considered in distributing that portion of the $18.5 million earmarked for parks that collect fees. Under the current formula, parks that collect campground fees, but not entrance fees, are grouped with nonfee areas and receive a smaller share of the total available. Second, rather than distribute a portion of the funds to nonfee parks based on a proration formula, National Park Service management should have the option of allocating a portion of the funds based on a review of priorities.

Question: Is there a specific reason not to include this formula in bill language?

Answer: We believe that it is not necessary to legislate a specific formula for distributing what amounts to less than 3 percent of the operating budget of the National Park Service. The Service is committed to the policy that both nonfee and fee parks should benefit from the additional funding for enhanced park operations. However, the exact method of allocating these funds should leave some room for managerial decisions about program priorities. To provide this flexibility, an administrative process is more appropriate than a legislated formula.

Question: Neither the FY87 or the FY88 fee proposals include fees from the Alaska parks. Do you have an estimate of the revenue Alaska parks could generate under your FY88 proposal if allowed by law?

Answer: The Service does not have a revenue projection for Alaska parks. Visitation to most Alaska sites remains limited due to their isolation and lack of accommodations. Denali National Park and Preserve is the only area where the collection of an entrance fee appears to be both feasible and economically viable.

CAMPSITE RESERVATION THROUGH TICKETRON

Question: It was recently announced that computerized campsite reservations will be available at eight of the most popular national parks in 1987. The contract to provide this service was awarded to Ticketron.

Reservations for campsites at the eight parks can be made in person at Ticketron outlets, or at NPS information offices or by mail. No reservations can be made by phone.

I agree that this is probably a more efficient way to manage parks. I am concerned, however, about campers in rural areas who are not near a Ticketron outlet or near an NPS information center. Their only reservation opportunity is through the mail.

Is there anyway this bias can be eliminated?

Answer: Ticketron presently has more than 600 outlets in 23 States and the District of Columbia. In addition, every effort is made to give those persons who mail in reservation requests an equal opportunity to obtain reservations.

Question: Was there any discussion of allowing people in these areas to phone in reservations and thus providing them two ways of reserving campsites as those near a Ticketron outlet have?

Answer: The contract provides for expansion into a telephone reservation system. Given the problems created by the overwhelming number of calls when the National Park Service entered into a contract in 1974 for telephone reservations, the Service is moving cautiously in this direction. Ticketron now has a service--Teletron--which is in operation in several cities and which is capable of handling a large volume of calls. Planning is underway to utilize this system in future years.

Question: Who will be responsible for advertising this service? NPS or Ticketron?

Answer: While Ticketron does not sponsor a Nationwide general advertising campaign, they do advertise and promote the availability of tickets via its system on a regional or local basis. This involves newspaper and radio advertising, point-of-sale display and direct-mail promotion. They also devote radio time to the coverage of campsite reservations. In addition, when possible to anticipate, Ticketron inserts appropriate advertising in national publications which serve campers. The responsibility of the National Park Service is to issue news releases, both on the national and local level, announcing the availability of reservations through the system.

Question: Are special advertising provisions being made for rural areas?

Answer: The contract provides for a telephone information system on a nationwide basis. The details for this system are still in the formative stage, but this system, along with procedures previously outlined, will provide visitors from all

areas of the country the opportunity to gain information about the system.

NATIONAL PARK SERVICE REORGANIZATION

Question: In the FY87 House Report, the definition of a "reprogramming" was expanded to include proposed reorganizations. Even though the Senate Report and the Conference Report were silent on this matter, the expanded definition should be considered the current definition until specifically changed.

The recent reorganization of the Washington Office of the Park Service has caused a great deal of concern. This concern surrounds the reorganization itself as well as the fact that the reprogramming guidelines were ignored.

While there is probably nothing constructive that the Subcommittee can do at this point to force you to submit a reprogramming, I do feel it would be beneficial if the Subcommittee be given the opportunity to actively participate in the reorganization.

Did the Department simply miss this change in the reprogramming guidelines or was it ignored intentionally?

Answer: The Department was aware of the reprogramming guidelines and our intent was to abide by them. However, because of publicity of the reorganization and the adverse impact it was having on our employees as well as the negative effect it was having on our program execution, it was determined that we should complete the reorganization as soon as possible.

Question: Are you willing to give the Subcommittee an opportunity for input in this process?

Answer: Since our reorganization was signed January 20, 1987, and we have executed most of the changes, we feel it would be counterproductive to open this subject again.

Question: There have been numerous press reports about the reorganization suggesting that it is an effort by the Administration to gain political control over the Service and reduce what some have called the preservationist attitudes of the Park Service.

Is that accurate Mr. Horn?

Answer: I have no intention of trying to gain political control over the National Park Service.

Question: What are your motivations with respect to this reorganization and how do they differ from the motivations of the Director?

Answer: In developing the reorganization package, our motivations were basically the same; i.e., to realign the Washington Office structure for better management of the National Park Service.

MANAGEMENT POLICIES

Question: At your suggestion Mr. Horn, the Park Service is in the process of rewriting the policy manual in an effort to make it shorter and to provide better management direction. Even though the manual has not been updated since 1978 it is my understanding that the Park Service is resisting this effort and feels that extensive revisions are unnecessary.

Mr. Horn could you explain the process that will be used to update the manual.

Answer: The revision of the document you are referring to, Management Policies, is a National Park Service initiative undertaken to implement the Director's 12-Point Plan. The National Park Service is currently preparing draft chapters for review by the Director, Deputy Director, Associate Directors, Regional Directors, Superintendents, and my office. Once a draft document is completed, the public will be invited to provide comments.

Question: Will there be public discussion?

Answer: Yes, there will be public discussion.

Question: Will there be a notice in the Federal Register?

Answer: Yes, a notice will be in the Federal Register.

Question: What are your goals, Mr. Horn, in updating this manual?

Answer: In announcing this initiative the National Park Service stated:

> "Revisions will be made to better define the classifications of different park areas--for example, why a national park is different from a monument or preserve, a seashore from a historical park, a historic site from a recreation area. The management techniques and the development of these various areas will be different, and certain types of activities are appropriate in each area."

I concur with this approach; the intent of which is to better ensure that we are managing the units of the National Park System in the manner intended by Congress.

Question: Is the Park Service resisting this effort because they disagree with the goals or do they truly believe that the manual doesn't need to be rewritten?

Answer: No, the revision of Management Policies is a National Park Service proposal.

PERFORMANCE EVALUATIONS

Question: A recent Los Angeles Times article indicated that you have changed some of the Director's personnel rating recommendations given to some senior Park Service employees. Is that accurate?

Answer: Under the Department's Senior Executive Service performance appraisal system, the various appointing authorities (Assistant Secretaries) have the authority to assign the final summary ratings of the performance of all senior executives under their purview after a consideration of the initial ratings of these employees' supervisors and recommendations of an appropriate performance review board. I did not "change" the Director's personnel rating recommendations; however, I did not concur with several of them. After a review of the officially established performance elements and standards for each executive's position and due consideration of advice offered by the Director and the performance review board, I assigned final summary ratings. The Director may not have agreed with some of the final ratings which I had given.

Question: Are you aware of any prohibitions, either legal or imposed by the Secretary, that prohibit or restrain an Assistant Secretary from taking this sort of action?

Answer: No. The process followed, as described in the previous answer, is consistent with Public Law 95-454, section 4314(3), which states that performance appraisals shall be made by the appointing authority. In the Department of the Interior, for purposes of SES performance appraisals, appointing authority is defined as Assistant Secretary, Solicitor, or Inspector General. The Assistant Secretary has no obligation to be bound by recommendations or advice given to him by the Director. The law requires only the appointing authority (Assistant Secretary) to consider the recommendations of a performance review board. The Assistant Secretary also considers recommendations of executives' supervisors and the bureau Director.

Question: How many of the Director's recommendations did you change?

Answer: In reviewing the recommended ratings from the Director of the National Park Service, seven senior executives received different final ratings from those initially recommended ratings.

Question: Are you aware of other Assistant Secretaries changing recommendations made by their Directors?

Answer: No. Other Assistant Secretaries have the same authority and responsibility for their executives' performance as does the Assistant Secretary for Fish and Wildlife and Parks. The bureau Directors acknowledge Assistant Secretarial authority with respect to the assignment of final summary ratings.

FISCAL 1987 DRUG ENFORCEMENT FUNDS

Question: In fiscal year 1987, Congress appropriated an additional $1.0 million to supplement efforts to eradicate drug cultivation, sale, distribution and use of drugs within the National Park System. Your FY88 justification indicates that $540,000 of these funds will go to the U.S. Park Police for undercover operations, surveillance, and increased patrols. How will the remaining $460,000 be distributed and utilized by the Service?

Answer: The $460,000 has been allocated to various parks located near urban population centers or to parks which, through their isolation or easy marine accessibility, are prime candidates for illegal drug trafficking. Law enforcement rangers will contribute to the Nationwide effort to combat drugs through their responsibilities for National Park Service sites. The funds will support surveillance activities, undercover operations and, in particular, increased patrol levels aimed at reducing the incidence of illegal drug-related activities within the parks. The following parks and offices have received funding from the initiative:

Assateague Island National Seashore	$ 7,500
Big Bend National Park	80,000
Big Cypress National Preserve	30,000
Biscayne National Park	30,000
Cape Hatteras National Seashore	20,000
Chickasaw National Recreation Area	5,000
Chiricahua National Monument	3,000
Colonial National Historical Park	7,500
Coronado National Monument	3,000
Coulee Dam National Recreation Area	5,000
Cuyahoga Valley National Recreation Area	15,000
Delaware Water Gap National Recreation Area	5,000
Dinosaur National Monument	5,000
Everglades National Park	50,000
Gateway National Recreation Area	30,000
Glen Canyon National Recreation Area	5,000
Golden Gate National Recreation Area	3,000
Great Smoky Mountains National Park	10,000
Hawaii Volcanoes National Park	60,000
Lake Mead National Recreation Area	20,000
Olympic National Park	15,000
Organ Pipe Cactus National Monument	18,000
Rocky Mountain Regional Office	10,000
Sleeping Bear Dunes National Lakeshore	5,000
Whiskeytown-Shasta-Trinity National Recreational Area	3,000
Yosemite National Park	15,000
Total	$460,000

Additional funds for drug enforcement will be provided to Gateway National Recreation Area and Golden Gate National Recreation Area through the United States Park Police stationed at these park areas. The allocation of funds to the Rocky Mountain Regional Office will be used at various parks within the Region.

U.S. PARK POLICE

Question: The Service has requested an additional $7.8 million for the U.S. Park Police to provide three new recruit classes in 1988 and continue two other recruit classes beginning in 1987. This will provide an additional 118 sworn officers and bring the number of sworn officers up to 655. I understand the need for additional officers but I am a little confused how FTE's translate into sworn officers.

You have requested funds for 113 FTE's which will provide an additional 118 sworn officers. After this addition, the total number of FTE's will rise to 751 but there will be 655 sworn officers.

Does the ratio of FTE's to sworn officers currently in the U.S. Park Police match that nearly one for one ratio of new recruits?

Answer: The total FTE ceiling reported for our U.S. Park Police includes 655 sworn officer positions and 120 civilian positions.

In the request for 113 FTE's, a lapse rate of 12 percent was calculated for the 118 new sworn officers or 104 FTE's. The additional 9 FTE's requested are for summer auxiliary employees (civilians) to augment visitor services during the high visitation periods.

Question: $2.2 million of this $7.8 million request is for overtime for officers in the Washington, D. C., area and Gateway National Recreation Area. The majority of these overtime funds are proposed to be utilized during special events, parades, festivals, celebrations, and annual demonstrations.

I understand the need to provide security at events like these, but I wonder if there might be a less expensive way to provide it rather than through overtime?

Answer: The majority of demonstrations and special events occur on weekends. It would not be efficient to build a full-time work force to accommodate this part-time demand. Although the number of these activities is increasing yearly, we are seeking to hold our expenditure static by augmenting the force with temporary summer auxiliaries (civilians) to relieve sworn officers of duties such as traffic control.

Question: Why aren't there any overtime funds requested for the Golden Gate National Recreation Area?

Answer: The $2.2 million request includes funds for the recurring level of demonstrations and special events in the National Capital Region, Gateway and Golden Gate National Recreation Areas. The reference to Golden Gate National Recreation Area was inadvertently omitted in our budget justifications.

STEAMTOWN NATIONAL HISTORIC SITE

Question: In the fiscal year 1987 Continuing Resolution, $8.0 million was appropriated for the Steamtown National Historic Site. This unit was provided to preserve a number of structures, collection of railroad rolling stock, and memorabilia on the site of a former railroad yard in downtown Scranton, Pennsylvania.

The authorizing legislation directed the Service to prepare a comprehensive management plan by September 30, 1987, and to administer the site through cooperative agreements and grants.

I note that you have proposed to rescind the Steamtown funds. How will this effect the draft of the management plan?

Answer: The proposed rescission would eliminate over $1 million to be used to prepare the management plan. This would defer the completion of the management plan until funds can be provided in the normal General Management Planning Program.

Question: What are your plans with respect to the management plans?

Answer: Authorizing legislation directed that a comprehensive management plan be prepared and a variety of other site and structural stabilization actions be taken. A proposal for implementing the legislation was prepared in December 1986 and is being implemented. Activities include actions related to design, construction, safety, security, preparation of the comprehensive management plan, cooperative agreements with the Steamtown Foundation and public involvement in NPS decisionmaking. A public information meeting announced the beginning of the planning process in January. A citizens' task force has been appointed to guide the effort and 12 public workshops were held during February. The plan is scheduled for completion by September 30, 1987.

Question: After the rescission expires, how much of the $8.0 million will be utilized in FY87?

Answer: It is anticipated that the entire $8.0 million will be obligated in FY87 for the purposes intended in the authorizing legislation.

Question: How much of the $20 million authorization do you feel will be necessary?

Answer: If the rescission proposal is not enacted, the entire $20 million authorized is expected to be necessary. A preliminary estimate, without the benefit of architectural and engineering studies, indicates that $10 million will be needed to rehabilitate the maintenance shops including roof repair (10 percent); roof membrane; heating of building; electricity for building; rehabilitate pit and turntable, replace railroad ties 50 percent of 30 miles; and asbestos abatement. The final estimates will not be available until all parts of the plan have been completed and a determination as to what direction should be taken has been made.

FINANCIAL SYSTEM CENTRALIZATION

Question: You are proposing to centralize the Park Service's financial operations as a "prelude" to the new Departmental accounting system which is anticipated to be operational beginning 1990. At present, the Service maintains separate finance offices in the 10 Regional offices as well as the Central Office in Washington, D.C.

Obviously, this move will save money in the long run. However, if I understand the proposal correctly, you are attempting to centralize the financial offices in the Park Service during FY88 and then coordinate the new Department accounting system one year later.

That appears to be a great deal of upheaval to accomplish in under two years.

Can you briefly explain the Department's new accounting system and how it ties in with the Service's financial operations centralization.

Answer: The Department is presently developing a single accounting system that can be used by all Bureaus. This effort is being guided by the U. S. Geological Survey and includes a $2 million 1987 supplemental.

In addition to moving toward a single accounting system, the Department has also directed that all Bureaus consolidate their financial and accounting functions in a single location. The National Park Service was one of three Bureaus which was not centralized. The Service will begin centralization during 1988 and will be fully centralized by October 1, 1988.

The connection between the Departmental accounting system and the Service's consolidation effort is that, as now scheduled, the Service will be consolidated on October 1, 1988, and will go onto the new Departmental accounting system October 1, 1989.

Question: Will there be any changes in the Service's accounting system during this centralization move?

Answer: The Service's present accounting system, Programming and Financial Management System (PFM), has been in use since 1972 and has become antiquated and unreliable over the years. Fortunately, it was originally developed to be operated in a centralized mode. We now believe that major changes will not be required in PFM as we consolidate . The Service's task force on the consolidation is presently looking into the issue of modifications to PFM.

Question: Was there an analysis done to determine if separating these two moves was the most efficient way to go about it?

Answer: The major concern of the Department was that the Service could not consolidate and go on the new Departmental system in the same year. It was felt that the risks were too great if we took these two major steps in unison.

WATER RIGHTS

Question: In FY87, Congress agreed to your request for an additional $1,000,000 for water rights activities subject the guidelines stipulated in the Senate report.

Your FY88 request indicates that you want to keep the FY88 funding level consistent with FY87 but there is no indication whether it is your intent to utilize the funds in a manner consistent with last year's Senate report.

Will FY87 guidelines be followed in FY88?

FY87 Guidelines (Senate Interior Appropriations Report):

1. Water quality needs are determined to the minimum amounts needed to protect the primary purpose of a given unit;

2. Primary purposes are those established in the legislation or proclamation that established a given unit;

3. Such legislation or proclamation establishes the priority date for a given unit;

4. Negotiated settlements will be the first means used to resolve conflicts among multiple claimants;

5. The National Park Service will use State courts and State proceedings in accordance with State law to resolve conflicts among claimants.

Answer: Yes, the 1987 guidelines set forth in the Senate Interior Appropriations Report will be followed in 1988. We consider that these guidelines, as we understand them, are consistent with the obligation of the National Park Service to seek those Federal reserved water rights that a given park unit is entitled to under the law. Prior to submission of the National Park Service water rights claims to the States, they are reviewed and approved by Interior Department's offices of the Solicitor and the Secretary and the Department of Justice.

Question: At last year's hearing, you indicated that you would be involved in the litigation of 25-30 water rights cases in four western states in FY88 and over 100 in the next few years. Do these workload numbers still hold true?

Answer: Yes, the workload numbers are still in that range. The Service is documenting and quantifying its claims to the water needed to support the primary purposes of park units located in river basins being adjudicated in the States of Arizona, Colorado, Montana, and Utah.

In anticipation of additional river basin adjudications and/or settlement discussions or administrative proceedings, in the States mentioned and in the States of Alaska, Idaho, Oklahoma, and Oregon, efforts are underway to collect needed data for the preparation of water claims in support of park unit primary purposes.

EMERGENCY AND UNSCHEDULED PROJECTS

Question: You have requested $2.0 million FY88 for Emergency and Unscheduled Projects. This is a $1.0 million reduction from the FY87 enacted level.

What is the historical level for this program?

Answer: The historical funding level for the Emergency and Unscheduled Projects activity has been $3 million annually for at least the last 10 years.

Question: If $2.0 million is not adequate to cover the costs of this program, where will you get the funds?

Answer: Each year, field requests for this funding exceed the availability by many times. The backlog of minor construction needs continues to grow just as the list of major construction needs. However, fiscal constraints dictate that capital investments must be deferred. There are sufficient funds, special authorities or procedures (i.e., reprogramming a supplemental request) at the disposal of the Service to meet emergency needs.

SUBCOMMITTEE RECESS

Senator BYRD. The subcommittee stands in recess until Tuesday, March 3, 1987, at which time we will receive testimony from the National Gallery of Art, the Commission on Fine Arts, the Pennsylvania Avenue Development Corporation, and the Advisory Council on Historic Preservation.

[Whereupon at 11:40 a.m., Friday, February 20, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 3.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1988

TUESDAY, MARCH 3, 1987

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2 p.m., in room SD–192, Dirksen Senate Office Building, Hon. Harry Reid presiding.

Present: Senators Reid and Stevens.

NATIONAL GALLERY OF ART

STATEMENT OF J. CARTER BROWN, DIRECTOR

ACCOMPANIED BY:
DANIEL HERRICK, TREASURER
WILLIAM ROACHE, BUDGET OFFICER

PREPARED STATEMENT

Senator REID. The subcommittee will come to order.

This is the time scheduled for the subcommittee to hear testimony on the fiscal year 1988 budget requests of the National Gallery of Art, the Commission of Fine Arts, the Pennsylvania Avenue Development Corporation, and the Advisory Council on Historic Preservation.

We will begin with the National Gallery of Art. The fiscal year 1988 request for the gallery totals $37,659,000 which is a net increase of $652,000 over the appropriation to date for fiscal year 1987.

Mr. Brown, welcome to the subcommittee today. We have your prepared statement and it will be inserted in the record in full.

[The statement follows:]

STATEMENT OF J. CARTER BROWN

The National Gallery's Federal funds budget request for the fiscal year 1988 is $37,659,000—a net increase of $652,000 over the 1987 budget of $37,007,000. Comprising the total increases are: personnel compensation and benefits—$2,490,000; rents, communications, and utilities—$178,000; materials, supplies, services, and travel—$34,000. The increases are offset by the following: equipment decrease—($50,000) and repair, restoration, and renovation decrease—($2 million). The budget includes 878 full-time permanent positions with an OMB limitation of 847 FTE (full-time equivalent) employment.

Attendance at the National Gallery has been at a high level in recent years. In fiscal year 1986 the attendance reached an all time high of 8,703,055. The primary reason for this upsurge in the number of visitors has been attributed to the enthusiasm of the public for our special exhibitions programs and continued interest in the West Building which opened new galleries with the popular Impressionism exhibit.

Our fiscal year 1988 Federal funds budget request includes $400,000 for the repair, restoration, and renovation of buildings approved by OMB and included in the President's budget for fiscal 1988.

The 1988 Federal funds budget request also includes $2,420,000 for our special exhibitions program.

In January 1986, we were able to realize the longstanding plan of making available to the public additional exhibition space in the West Building, made possible by the remodeling of the ground floor of the West Building with a combination of donated and appropriated funds, and the remodeling of the northeast corner of the main level of the West Building with appropriated funds. The net effect of this new construction was to increase our ability to show more of our permanent collection. In addition, we were able to fill the new spaces with borrowed exhibitions of art from this country and abroad.

Ninety-two percent ($2,490,000) of the total increase is associated with personnel compensation. This increase provides: $261,000 for mandatory within-grade and wage-board step increases and merit pay; $704,000 for annualization of the fiscal year 1987 pay raise; $1,402,000 for increased agency costs of the new Federal employees retirement system [FERS]; and $123,000 for three-quarter year funding of six new full-time permanent positions.

Seven percent ($178,000) of the total increase is required for the increased costs of rents, communications, and utilities. This amount consists of $146,000 to cover the increased costs of steam and electricity for all structures; $9,000 to cover the increase of telephone and telegraph costs; $21,000 to cover the increase costs of postage; $16,000 to cover the increased costs of structural rental rates; and is offset by a $14,000 decrease in word processor rental.

The final 1 percent ($34,000) of the total increase is needed to cover the costs of services and travel in support of the basic gallery operations. This amount consists of $15,000 for increased services and $19,000 to offset the increased cost of the new per diem allowances required by Public Law 99–234.

Offsetting the above increases are decreases in equipment of $50,000 and decreases in the repair, restoration, and renovation of buildings program of $2 million. The latter reduction was made possible by the virtual completion of the remodeling program of the West Building.

INTRODUCTION OF ASSOCIATES

Senator REID. In the interest of saving time, it would be appreciated if you would introduce your associates and then if you would just briefly outline your testimony and we will proceed to the questions.

Mr. BROWN. All right. My associates here at the table are Daniel Herrick, the Treasurer of the National Gallery and Bill Roache, our budget officer, and we have the other executive officers listed in the submission with us in the room, with the exception of our new Administrator, Anne Evans, who was delivered of a baby on Sunday and could not make the hearing. Almost anything else, I am sure she would have been here. [Laughter.]

In summary, I think that the numbers are pretty well spelled out in my testimony, but I thought I might just bring you up to date on what an exciting year it has been, thanks largely to the support of your committee.

The exhibition program has brought in a record number of people to the National Gallery, over 8 million people, which I think is perhaps a record for any art museum anywhere. This was accounted for largely by the success of several exhibitions, some of them simultaneous—the Treasure Houses of Britain, the Impressionist show, the Winslow Homer exhibition. We had a spectacular group of paintings from the Soviet Union in the spring. We had an interesting show from Mr. Mellon's gifts to the gallery over the summer, as well as bronzes from Vienna, and then this fall, we started exhibitions in praise of American achievements in the decorative arts with the Kaufman collection, shown together with a group of paintings by American painters from our own collection and then a large show of some Italian baroque paintings. We are now up to our present status which is running simultaneously with Matisse and the Turkish objects, both of which have turned out to be enormous hits.

Our extension service has continued to grow, and we have added films that have been very popular that go out through the public television network.

We have been very fortunate in getting out the first volume of our full-dress, scholarly catalog, which will appear in 27 volumes. Not only have we been working on the catalog of the collection, but we have been active in the acquisitions field. We have had extraordinary gifts, and Mr. and Mrs. Robert Meyerhoff from Maryland have indicated that their collection might come our way eventually.

So it has been a banner year.

Senator REID. Thank you very much, Mr. Brown.

OFFICE OF MANAGEMENT AND BUDGET REDUCTION

I would recognize Senator Stevens.

Senator Stevens, do you have a statement?

Senator STEVENS. No; if you would permit me, I would go on to another meeting. I just have one question.

Senator REID. Ask all you want.

Senator STEVENS. I know it is not kosher too many times to ask, but how much of an increase did you originally seek? You got, what, an increase of about $652,000.

Senator REID. $2,652,000, I think.

Mr. BROWN. The increase this year would be 1.76 percent.

Senator STEVENS. What did you originally ask for?

Mr. BROWN. To the Office of Management and Budget?

Senator STEVENS. Yes.

Mr. BROWN. It was another $500,000.

Senator STEVENS. Can you delineate what has been eliminated? How have you applied that reduced increase?

Mr. BROWN. Some of it we found we wouldn't need, because between the time we put the budget request in and the time that OMB came to focus on it, we recognized that a collection of sculpture that we had hoped might come our way was not going to. The owner had reached

some financial difficulties, as the result of the decline in oil prices and was forced to sell the collection, which he was able to do elsewhere. So although we are going ahead with that project infrastructure, the costs that we had budgeted for transportation and installation and maintenance, and so forth, were not needed.

The others were positions that were requested and not granted.

Senator STEVENS. That is good news. Thank you very much, Mr. Chairman. This is one of our great national treasures. I thought I would just like to stop in and say hello. Thank you very much.

Senator REID. Thank you very much, Senator Stevens.

Mr. BROWN. Thank you.

GALLERY OPERATIONS

Senator REID. Mr. Brown, can you tell us about improvements in the overall efficiency of the gallery's operations during the last 5 years? For example, has the cost per visitor, including private funds, increased or decreased over that period of time? How about the gallery's costs per visit for the extension programs? Have they declined or have they increased? Generally, give us some direction in that regard.

Mr. BROWN. I think by inspection, yes, we have improved the cost effectiveness. I would like to be able to submit for the record the exact ratios because I think it would be——

Senator REID. Would you please do that.

Mr. BROWN. We did not calculate them.

[The information follows:]

Cost per visitor to gallery

Year:	*Cost per visitor*
1982	$4.45
1983	6.30
1984	6.61
1985	6.67
1986	4.66

COST PER VIEWER OF EXTENSION PROGRAMS

Year	Cost per viewer	
	Without TV audiences	With TV audience
1982	$0.163	$0.010
1983	.169	.008
1984	.095	.005
1985	.164	.006
1986	.116	.003

COST EFFECTIVENESS OF THE NATIONAL LENDING SERVICE

The National Lending Service is cost effective. Borrowers are charged for the direct costs associated with a loan. These may include crating, packing, handling, shipping, and insurance. Insurance is generally maintained under the gallery's policy, and the borrower is billed annually for the premium. If renewal is requested, the borrower must also assume any costs related to the annual conservation examination. Unlike many museums, the gallery does not charge a special fee for individual loans, nor does it charge for the administrative costs of making loans available.

CONSERVATION BACKLOG

Senator REID. The activity with the largest increase, as far as I have been able to determine in fiscal year 1988 is conservation with nearly 17 percent growth over the current level. It is the subcommittee's understanding that there is a substantial backlog of work that needs some degree of restoration or conservation. Elaborate on this, if you would, please.

Mr. BROWN. Yes; this is an ongoing concern of ours. We have been working very closely with the Congress in trying to build our conservation staff up to the level with which we can address this in a more responsible way. It is like deferred maintenance. You can get along so far with pushing some of these problems under the rug, but at a certain moment, you really have to face them. While the gallery was in its first phase, which was basically aimed toward acquisition of major things, including whole collections en bloc, the issue of conservation was, by the admission of my predecessors, deferred. My predecessor was even quoted as saying that would be "my successor's problem." Well, it is in spades, because, first of all, any picture, even in very good condition, if it has been varnished in the way that people have varnished pictures for 500 years, will have a coating on top of it that will discolor in 25 to 35 years, as a result of the interaction of the varnish with light. This means that pictures are in a constant state of getting brownish and muddy, which turns blue skies to green and takes all of the brilliance that the artist put in there out.

This was exacerbated in the 19th century when the fashion was for dark pictures in the brown decades, and often they would intermix with that varnish toning pigments that would make it instantly dark. So we have some pictures that have come to us with this added problem. Therefore, just cleaning is something we need to do for the whole collection.

But when you think of the age of many of these objects, going back to the late Middle Ages, natural ravages of time are attacking them and making them insecure. And although we have them now in a stabilized environment of temperature and humidity, they are geriatric cases, some of them hanging on by an eyelash, and they are all in need of attention.

So we have gradually gone from a staff which consisted of one part-time contract conservator, which was the condition of the National Gallery when I became Director, to our current staff of 23, which includes people specialized in various materials, paper, wood, sculpture, metal and, of course, paintings; and in addition, we have a scientific component that can do basic research as to the materials and analysis of the paintings to find out what they really need.

CONSERVATION OF CATLIN AND ROTHKO COLLECTIONS

Senator REID. I would be curious as to what some of the projects that you have to do for restoration, for example, that you have not been able to get to, and you are going to get to.

Mr. BROWN. The Catlin collection is a good case in point. Here was an enormous resource given to us en bloc by Paul Mellon, when he was able to purchase together over 350 paintings that were done by the American artist, George Catlin, in the 19th century, who had the opportunity to go west before almost any other artist and bring back a sense of what the great American West looked like. This is a fabulous resource. Obviously, we cannot show it all at the National Gallery, but we have a National Lending Service, whereby our dream is to make all of our collections available around the country. And yet these pictures are, in many cases, too fragile to be loaned until they have had conservation treatment. Obviously, this cannot be a top priority, when there are so many other things crying for attention at the gallery, but it is one we are trying to get to.

Senator REID. Do you have adequate storage space for all of these objects like the Catlin collection?

Mr. BROWN. Well, we do, luckily, particularly if we project out a generous loan policy. I think, philosophically, that is very much what we feel we ought to do. My vision of the National Gallery for the 21st century is that it not be simply two buildings on The Mall, that it be a kind of national lending library or resource for communities across the country, many of whom have been building museums very rapidly but have come in late, in terms of filling them.

Another good case in point is the Rothko collection which came to us from the Rothko Foundation when they voted themselves out of business, and many of them are in very delicate condition, but there is tremendous enthusiasm for borrowing them. We have a huge stack of mail. We are just processing them now, and it is hopeful that the storage, which is adequate now for our needs, will continue to be adequate as we are able to lend things elsewhere.

Senator REID. Elaborating a little bit, does the fiscal year 1988 request for 25 positions permit the reduction of some of this backlog that you have just described or does it only keep pace with the current demand, or are we going to be slipping further and further?

Mr. BROWN. I am afraid the latter. It is only keeping pace with current demand. Our long-range plan is to beef it up somewhat. We have limitations of space as well as, of course, staff. But there are other ways of taking care of some of these larger numbers, groups of paintings, like the Catlins, by contracting services out.

NEW CONSERVATION POSITIONS

Senator REID. What will be the specific impact if the two additional conservation positions requested in fiscal year 1987 are not funded, not 1988, but 1987?

Mr. BROWN. There we are left in a very vulnerable position in our textile collection, because textiles, as you know—suffer tremendously from age, from light and from the deterioration of the threads. Our chief of textile conservation is retiring. This position would provide someone at the assistant level to tide us over, but eventually, we would need a fully qualified person there.

And the other is in the Objects Conservation Laboratory. We have the most important collection in this hemisphere of Italian Renaissance bronzes, metals, and plaquettes. It ranks with the British Museum and the National Museum in Italy. So we have a responsibility to those. Bronzes get a thing called bronze disease. We have had to be very careful to try not only to prevent this but to cure it. So if we don't have those two positions, it already means that we are slipping behind even faster.

Senator REID. Elaborating just a little bit, based on what you have already told us, what is the impact of more delay in the conservation of the, what I understand to be thousands of paintings, sculptures, prints, and millions of photographs and slides in the gallery's collection? Is there immediate danger of irreparable damage to these, if the request for the conservation activity is not fully funded?

Mr. BROWN. I do not want to overstate the case. You know, we have been getting along with chewing gum and chicken wire so far. I guess 1 more year. But it is obviously not a direction we want to go in. We have to get our capability up to strength.

Senator REID. What are your plans for reducing the existing backlog? You have indicated you are, in effect, treading water with financial requests that you have made at this stage. What are your plans for reducing the existing backlog? If you can give us some idea of what period of time you would envision being able to get caught up, so to speak.

Mr. BROWN. These again are some arithmetical calculations, and I would like to be able to submit them for the record.

Senator REID. We would appreciate that. And also, when you are doing this, I would be interested if there are any formal criteria used to determine which pieces should receive attention and which can be deferred, and if so, how? If you can get into that whole program for us.

Mr. BROWN. I would be happy to.

[The information follows:]

PLAN FOR REDUCING CONSERVATION BACKLOG

Time required to complete existing backlog in staff years of work is as follows: Paintings, 13 years; paper, 361 years; objects, 63 years; and science, 7 years.

At the end of the transcript, please note the additional committee questions and answers regarding the pending backlog by category of art.

As projected, the plan for undertaking a reduction in the backlog is predicated upon the expansion of staff outlined in previous budget requests. It is difficult to estimate accurate target dates for completion of major and minor treatments due to a large number of variables, that is, expansion of the collection, exhibition requests, demands for examination and analysis, or other unanticipated projects. However, these figures serve as our best assessment of the workload. In addition, the time needed for each conservation project depends on the condition of each work of art which in many cases can only be determined after the conservation process has been started.

The judgment of conservation priorities are made according to the following criteria: (1) Priority is given to all cases when the stability or condition of the structure is endangered; (2) selection is made based on requests for exhibitions and loans and the hanging schedule in the galleries; (3) questions of attribution or date needed for the systematic catalog, or scholarly research; and (4) the appearance of a painting in context with others in the collection.

EXTENSION PROGRAM

Senator REID. Mr. Brown, your extension service permits many people, as you have already indicated, throughout the country to enjoy the gallery's collection in their own communities, not counting television audiences.

Do you have an idea how many people the extension program reached last year?

Mr. BROWN. I would have to supply that number for you. It always encourages me to see the extent of this program, quantitatively. The number of communities reached is a good index. It consistently runs over 4,000 communities. These exist in all 50 States. And to read the list of these communities is, I think, a very moving experience. Some of the towns mentioned are very small. But it is a way in which this institution, which exists physically down here on The Mall is, in fact, helping Americans in every part of the 50 States.

Senator REID. In providing this information, would you do this by a table which indicates the number of extension showings and the audiences at each showing and also do this by State?

Mr. BROWN. That would be a wonderful way to look at it. I should tell you an anecdote that one year we were asked for the complete list of all the communities, and it took several typists all week to provide this, and when we finally came up with this stack of paper, they said, oh, no, we can't put that in the record; it will totally overshadow every other piece of testimony.

Senator REID. I think we will arrange to put it in the record.

Mr. BROWN. Summarizing by States, I think is an excellent approach.

[The information follows:]

Not counting TV audiences, the extension program reached 5,075,586 people in FY 1986. The attached report, lists towns and cities, by state in which extension programs were used during the past year. Data for specific numbers of showings or audience reports are not recorded by state.

NATIONAL GALLERY OF ART
EXTENSION PROGRAMS

COMMUNITY REPORT

FISCAL YEAR: 1986

Total number communities: 2,760.
Total number foreign: 11.
Total number APO: 74.
Total number Canada: 7.
Total number American forces Radio and Television Service, CA: 80.

COMMUNITIES LIST FOR FISCAL YEAR 1986

AK	Anchorage	AR	Big Flat
AK	Bethel	AR	Blytheville
AK	Crooked Creek	AR	Branch
AK	Douglas	AR	Calico Rock
AK	Juneau	AR	Camden
AK	McGrath	AR	Charlotte
AK	Petersburg	AR	Cherry Valley
AK	Sitka	AR	Conway
AK	Valdez	AR	Cove
AL	Andalusia	AR	De Queen
AL	Anniston	AR	Fayetteville
AL	Athens	AR	Forrest City
AL	Attalla	AR	Fort Smith
AL	Auburn	AR	Gentry
AL	Bessemer	AR	Gosnell
AL	Birmingham	AR	Hardy
AL	Camden	AR	Harrison
AL	Cullman	AR	Hot Springs
AL	Florence	AR	Imboden
AL	Fort Payne	AR	Jacksonville
AL	Gadsden	AR	Jessieville
AL	Hartselle	AR	Kingston
AL	Heflin	AR	Little Rock
AL	Huntsville	AR	Magnolia
AL	Jacksonville	AR	Malvern
AL	Jemison	AR	Marmaduke
AL	Luverne	AR	Mena
AL	Mobile	AR	Mountain Home
AL	Montgomery	AR	Mountain View
AL	Northport	AR	Nashville
AL	Oxford	AR	Norfork
AL	Phenix City	AR	North Little Rock
AL	Phil Campbell	AR	Pearcy
AL	Red Bay	AR	Pettigrew
AL	Russellville	AR	Pine Bluff
AL	Troy	AR	Prescott
AL	Tuscaloosa	AR	Scranton
AL	Tuscumbia	AR	Searcy
AL	University	AR	Siloam Springs
AR	Alma	AR	State University
AR	Bald Knob	AR	Stuttgart
AR	Bay	AR	Valley Springs
AR	Bee Beach	AR	Van Buren
AR	Bella Vista	AR	Vilonia
AR	Bentonville	AR	West Memphis

AR	Wilson
AR	Yellville
AZ	Aguila
AZ	Cave Creek
AZ	Chandler
AZ	Douglas
AZ	Flagstaff
AZ	Fort Defiance
AZ	Ganado
AZ	Glendale
AZ	Kearny
AZ	Kingman
AZ	Mayer
AZ	Mesa
AZ	Miami
AZ	Morenci
AZ	Peoria
AZ	Phoenix
AZ	Prescott
AZ	San Manuel
AZ	Sanders
AZ	Scottsdale
AZ	Springerville
AZ	Sun City
AZ	Tempe
AZ	Tucson
AZ	Tumacacori
AZ	West Sedona
AZ	Yuma
CA	Alhambra
CA	Alta Loma
CA	Alturas
CA	Anaheim
CA	Arcadia
CA	Arcata
CA	Arroyo Grande
CA	Atwater
CA	Azusa
CA	Bakersfield
CA	Beaumont
CA	Belmont
CA	Berkeley
CA	Beverly Hills
CA	Bishop
CA	Bonita
CA	Brawley
CA	Buena Park
CA	Burbank
CA	Burlingame
CA	Calabasas
CA	Camarillo
CA	Campbell
CA	Canoga Park
CA	Carmichael
CA	Carson
CA	Cerritos
CA	Cherry Valley
CA	Chico
CA	Chino
CA	Chula Vista
CA	Claremont
CA	Crescent City
CA	Culver
CA	Cypress
CA	Davis
CA	El Centro
CA	El Portal
CA	El Segundo
CA	Elk Grove
CA	Encino
CA	Eureka
CA	Fairfield
CA	Fort Bragg
CA	Fresno
CA	Frontera
CA	Fullerton
CA	Gardena
CA	Gilroy
CA	Glendale
CA	Glendora
CA	Half Moon Bay
CA	Hayward
CA	Hemet
CA	Hillsborough
CA	Holtville
CA	Huntington Beach
CA	Imperial
CA	Inglewood
CA	Jamestown
CA	La Canada
CA	La Jolla
CA	La Mesa
CA	La Mirada
CA	La Puento
CA	Laguna Niguel
CA	Lakewood
CA	LeMoore
CA	Livermore
CA	Loma Linda
CA	Lompoc
CA	Long Pine
CA	Los Altos Hills
CA	Los Angeles
CA	Los Gatos
CA	Lynwood
CA	Menlo Park
CA	Merced
CA	Mill Valley
CA	Mission Veijo
CA	Modesto
CA	Montebello
CA	Monterey
CA	Monterey Park
CA	Montrose
CA	Moraga
CA	Mountain View
CA	Napa
CA	National City
CA	Newbury Park
CA	Newport Beach
CA	Norco
CA	North Hollywood
CA	North San Juan
CA	Northridge
CA	Novato
CA	Oakland
CA	Ontario
CA	Orange
CA	Oroville
CA	Oxnard

CA	Pacific
CA	Palm Springs
CA	Palo Alto
CA	Palomar
CA	Petaluma
CA	Petrolia
CA	Placentia
CA	Placerville
CA	Pomona
CA	Porterville
CA	Portola Valley
CA	Ramon
CA	Ramona
CA	Redding
CA	Redlands
CA	Redwood City
CA	Reedley
CA	Rialto
CA	Riverside
CA	Roseville
CA	Running Springs
CA	Sacramento
CA	Salinas
CA	San Anselmo
CA	San Bernardino
CA	San Bruno
CA	San Clemente
CA	San Diego
CA	San Francisco
CA	San Gabriel
CA	San Jacinto
CA	San Jose
CA	San Juan Bautista
CA	San Luis
CA	San Luis Obispo
CA	San Marcos
CA	San Mateo
CA	San Miguel
CA	San Pedro
CA	San Quentin
CA	San Rafael
CA	Santa Ana
CA	Santa Barbara
CA	Santa Clara
CA	Santa Fe Springs
CA	Santa Maria
CA	Santa Monica
CA	Santa Rosa
CA	Solvang
CA	Sonoma
CA	Stockton
CA	Sunnyvale
CA	Talmage
CA	Temple City
CA	Turlock
CA	Ukiah
CA	Van Nuys
CA	Vandenberg AFB
CA	Ventura
CA	Vista
CA	Weed
CA	West Covina
CA	Whittier
CO	Aspen
CO	Aurora
CO	Berthoud
CO	Boulder
CO	Broomfield
CO	Buena Vista
CO	Canon City
CO	Carbondale
CO	Chipita Park
CO	Colorado Springs
CO	Craig
CO	Del Norte
CO	Denver
CO	Dove Creek
CO	Englewood
CO	Erie
CO	Estes Park
CO	Fort Collins
CO	Fort Lyon
CO	Fruita
CO	Glenwood Springs
CO	Grand Junction
CO	Grand Lake
CO	Grandby
CO	Granite
CO	Greeley
CO	Gypsum
CO	Holly
CO	Joes
CO	Lakewood
CO	Lamar
CO	Littleton
CO	Longmont
CO	Loveland
CO	Manitou Springs
CO	McCoy
CO	Milliken
CO	Montrose
CO	Otis
CO	Pagosa Springs
CO	Palisade
CO	Peyton
CO	Poudre
CO	Pueblo
CO	Rocky Ford
CO	Security
CO	Steamboat Springs

CO	Thornton
CO	Walsenburg
CO	Westminster
CO	Weston
CO	Woodland Park
CO	Yampa
CT	Abington
CT	Avon
CT	Bethel
CT	Bolton
CT	Bridgeport
CT	Bristol
CT	Brookfield
CT	Brooklyn
CT	Canterbury
CT	Central Village
CT	Cheshire
CT	Danbury
CT	Danielson
CT	Durham
CT	East Hartford
CT	East Lyme
CT	Ellington
CT	Enfield
CT	Falls Village
CT	Farmington
CT	Glastonbury
CT	Greenwich
CT	Groton
CT	Hamden
CT	Hartford
CT	Hebron
CT	Madison
CT	Manchester
CT	Meriden
CT	Milford
CT	New Britain
CT	New Canaan
CT	New Castle
CT	New Haven
CT	New London
CT	New Milford
CT	Newington
CT	Newtown
CT	Noank
CT	Norfolk
CT	Norwalk
CT	Norwich
CT	Oakdale
CT	Orange
CT	Oxford
CT	Plainfield
CT	Pleasant Valley
CT	Putnam
CT	Ridgefield
CT	Rockville
CT	Rocky Hill
CT	South Woodstock
CT	Stanford
CT	Tolland
CT	Torrington
CT	Trumbull
CT	Vernon
CT	Wallingford
CT	Waterbury
CT	Watertown
CT	West Hartford
CT	West Redding
CT	Windsor Locks
CT	Winsted
CT	Woodstock
DC	Washington
DE	Camden
DE	Dover
DE	Felton
DE	Frankford
DE	Hockessin
DE	Middletown
DE	New Castle
DE	Seaford
DE	Selbyville
DE	Smyrna
DE	Wilmington
FL	Altamonte Springs
FL	Auburndale
FL	Avon Park
FL	Bartow
FL	Belleair
FL	Boca Raton
FL	Boynton Beach
FL	Brandon
FL	Branford
FL	Bronson
FL	Citra
FL	Clewiston
FL	Cocoa
FL	Cocoa Beach
FL	Coral Gables
FL	Coral Springs
FL	Cross City
FL	Daytona Beach
FL	De Land
FL	Dunedin
FL	Elgin AFB
FL	Englewood
FL	Fern Park
FL	Fort Lauderdale
FL	Fort Myers
FL	Fort Pierce
FL	Fort Walton Beach

FL	Gainesville
FL	Geneva
FL	Hawthorne
FL	Hialeah
FL	Hollywood
FL	Homestead
FL	Hurlburt Field
FL	Immokalee
FL	Inverness
FL	Jacksonville
FL	Key West
FL	Lake Mary
FL	Lake Wales
FL	Lake Worth
FL	Lakeland
FL	Lantana
FL	Longwood
FL	Lutz
FL	Maitland
FL	Marathon
FL	Marianna
FL	Melbourne
FL	Merritt Island
FL	Miami
FL	Middleburg
FL	Mount Dora
FL	Naples
FL	New Port Richey
FL	New Smyrna Beach
FL	Niceville
FL	Oakland Park
FL	Okeechobee
FL	Opalocka
FL	Orange Park
FL	Orlando
FL	Pace
FL	Palm Beach
FL	Panama City
FL	Penney Farms
FL	Pensacola
FL	Pinellas
FL	Plantation
FL	Pompano Beach
FL	Port Charlotte
FL	Port St. Joe
FL	Saint Augustine
FL	Saint Leo
FL	Saint Petersburg
FL	Sanibel
FL	Sarasota
FL	Sebastian
FL	Sebring
FL	Seminole
FL	Spring Hill
FL	Starke
FL	Stuart
FL	Sunrise
FL	Tallahassee
FL	Tampa
FL	Temple Terrace
FL	Titusville
FL	Vero Beach
FL	Wauchula
FL	Welaka
FL	West Palm Beach
FL	Windermere
FL	Winter Garden
FL	Winter Haven
GA	Albany
GA	Americus
GA	Athens
GA	Atlanta
GA	Augusta
GA	Bainbridge
GA	Blakely
GA	Blue Ridge
GA	Brunswick
GA	Buford
GA	Butler
GA	Calhoun
GA	Carrollton
GA	Cartersville
GA	Chatsworth
GA	Chickamauga
GA	Clarksville
GA	Claxton
GA	Cumming
GA	Dalton
GA	Damascus
GA	Decatur
GA	Dublin
GA	Forest Park
GA	Forsyth
GA	Fort Valley
GA	Gainesville
GA	Gay
GA	Griffin
GA	Hahira
GA	Hinesville
GA	Jackson
GA	Jasper
GA	Kennesaw
GA	La Fayette
GA	La Grange
GA	Lawrenceville
GA	Lindale
GA	Lithia Springs
GA	Loganville
GA	Louisville
GA	Macon

GA	Macon
GA	Marietta
GA	Maysville
GA	Metter
GA	Milledgeville
GA	Millen
GA	Monroe
GA	Monticello
GA	Newton
GA	Norcross
GA	Peachtree City
GA	Pooler
GA	Quitman
GA	Riverdale
GA	Rome
GA	Saint Simons Island
GA	Sandersville
GA	Savannah
GA	Statesboro
GA	Summerville
GA	Suwanee
GA	Swainsboro
GA	Sylvania
GA	Thomaston
GA	Thomasville
GA	Valdosta
GA	Wadley
GA	Waycross
GA	Waynesboro
GA	Winder
HI	Hilo
HI	Honolulu
HI	Lihue
HI	Pahala
IA	Alburnett
IA	Ankeny
IA	Bettendorf
IA	Burlington
IA	Carterlake
IA	Cedar Falls
IA	Clarinda
IA	Clear Lake
IA	Clinton
IA	Creston
IA	Cylinder
IA	Davenport
IA	Decorah
IA	Delta
IA	Elkader
IA	Fairfield
IA	Forest City
IA	Fort Dodge
IA	Inwood
IA	Iowa City
IA	Iowa Falls
IA	Marshalltown
IA	Mason City
IA	Mount Pleasant
IA	Orange City
IA	Osage
IA	Ottumwa
IA	Oxford
IA	Parkersburg
IA	Pella
IA	Prairie City
IA	Sioux Center
IA	Sioux City
IA	Storm Lake
IA	Twin Falls
IA	Waterloo
IA	West Liberty
IA	Woodbine
ID	American Falls
ID	Athol
ID	Boise
ID	Buhl
ID	Caldwell
ID	Grangeville
ID	Hagerman
ID	Hansen
ID	Idaho Falls
ID	Meridian
ID	Midvale
ID	Moscow
ID	Nampa
ID	Payette
ID	Pocatello
ID	Post Falls
ID	Saint Anthony
ID	Sandpoint
ID	Twin Falls
IL	Anna
IL	Arlington Heights
IL	Aurora
IL	Barrington
IL	Barry
IL	Batavia
IL	Belleville
IL	Bellflower
IL	Berwyn
IL	Bloomington
IL	Bluford
IL	Bolingbrook
IL	Bridgeport
IL	Brighton
IL	Bunker Hill
IL	Bushnell
IL	Calumet City
IL	Carbondale
IL	Carlyle

IL	Carrollton
IL	Carterville
IL	Carthage
IL	Casey
IL	Champaign
IL	Chicago
IL	Chicago Heights
IL	Crystal Lake
IL	Decatur
IL	Deerfield
IL	Des Plaines
IL	Dixon
IL	Downers Grove
IL	East Moline
IL	Elmhurst
IL	Elmwood
IL	Eureka
IL	Evanston
IL	Flossmoor
IL	Forest Park
IL	Fox Lake
IL	Franklin Grove
IL	Freeport
IL	Galesburg
IL	Gardner
IL	Geneseo
IL	Genoa
IL	Gillespie
IL	Glenview
IL	Glenwood
IL	Gorham
IL	Granite City
IL	Grayslake
IL	Greenville
IL	Gurnee
IL	Hardin
IL	Highland Park
IL	Hillsboro
IL	Hinsdale
IL	Homer
IL	Hoyleton
IL	Ingleside
IL	Joliet
IL	Kankakee
IL	Kewanee
IL	Kinderhook
IL	Knoxville
IL	La Grange
IL	La Salle
IL	Lake Forest
IL	Lemont
IL	Lockport
IL	Macomb
IL	Manhattan
IL	Mascoutah
IL	Melrose Park
IL	Mendon
IL	Midlothian
IL	Mokena
IL	Moline
IL	Monmouth
IL	Monticello
IL	Morrison
IL	Morristown
IL	Morton
IL	Mount Prospect
IL	Naperville
IL	Nauvoo
IL	New Lenox
IL	Normal
IL	Oak Forest
IL	Oak Lawn
IL	O'Fallon
IL	Olympia Fields
IL	Orland Park
IL	Oswego
IL	Palatine
IL	Pekin
IL	Peru
IL	Princeville
IL	Prospect
IL	Richton Park
IL	River Forest
IL	Riverside
IL	Rock Falls
IL	Rockford
IL	Romeoville
IL	Roselle
IL	Rosemont
IL	Salem
IL	Sauk Village
IL	Schaumburg
IL	Shawneetown
IL	Shipman
IL	South Elgin
IL	Springfield
IL	Stanford
IL	Steeleville
IL	Streator
IL	Tinley Park
IL	Toledo
IL	University Park
IL	Urbana
IL	Varna
IL	Venice
IL	Vernon Hills
IL	Wauconda
IL	Wauwatosa
IL	Western Springs
IL	Westville

IL	White Hall
IL	Wilmette
IL	Winnetka
IL	Woodstock
IL	Worden
IL	Worth
IL	Yorkville
IN	Andrews
IN	Angola
IN	Avilla
IN	Berne
IN	Bloomfield
IN	Bloomington
IN	Bremen
IN	Bridgeton
IN	Brownstown
IN	Carmel
IN	Centerville
IN	Charlottesville
IN	Chesterton
IN	Columbia City
IN	Columbus
IN	Connersville
IN	Converse
IN	Corydon
IN	Crawfordsville
IN	Crown Point
IN	Daleville
IN	Darlington
IN	Decatur
IN	Denver
IN	Dunkirk
IN	Elkhart
IN	Elnora
IN	Elwood
IN	Evansville
IN	Fort Wayne
IN	Fountain City
IN	Frankfort
IN	Goshen
IN	Greenfield
IN	Greensburg
IN	Hagerstown
IN	Hamlet
IN	Hartford City
IN	Huntingburg
IN	Huntington
IN	Indianapolis
IN	Kokomo
IN	La Grange
IN	Lafayette
IN	Lakeville
IN	Lawrenceburg
IN	Lebanon
IN	Lowell
IN	Lynn
IN	Marshall
IN	Medora
IN	Michigan City
IN	Middletown
IN	Mishawaka
IN	Mitchell
IN	Modoc
IN	Montpelier
IN	Morristown
IN	Mount Vernon
IN	Muncie
IN	New Albany
IN	New Carlisle
IN	New Castle
IN	New Haven
IN	New Palestine
IN	Nineveh
IN	Noblesville
IN	North Judson
IN	North Vernon
IN	Notre Dame
IN	Oldenburg
IN	Park Boulevard-Rushville
IN	Parker City
IN	Pendleton
IN	Plainfield
IN	Portage
IN	Portland
IN	Rochester
IN	Rushville
IN	Selma
IN	South Bend
IN	Speedway
IN	Trafalgar
IN	Union City
IN	Upland
IN	Valparaiso
IN	Vincennes
IN	Wabash
IN	Warsaw
IN	West Lafayette
IN	Wheatfield
IN	Winamac
IN	Winchester
IN	Yorktown
KS	Abilene
KS	Atchison
KS	Augusta
KS	Baldwin City
KS	Berryton
KS	Bonner Springs
KS	Bucklin
KS	Buhler
KS	Canton

KS	Cawker City
KS	Chanute
KS	Chapman
KS	Cottonwood Falls
KS	Downs
KS	El Dorado
KS	Emporia
KS	Eskridge
KS	Florence
KS	Fort Leavenworth
KS	Fort Scott
KS	Garden City
KS	Gardner
KS	Goddard
KS	Great Bend
KS	Gypsum
KS	Harveyville
KS	Haysville
KS	Herington
KS	Hesston
KS	Holton
KS	Hutchinson
KS	Independence
KS	Kanopolis
KS	Kansas City
KS	Kinsley
KS	Lakin
KS	Lansing
KS	Larned
KS	Lawrence
KS	Leawood
KS	Lincoln
KS	Linwood
KS	Madison
KS	Manhattan
KS	Mankato
KS	Marion
KS	Marquette
KS	McPherson
KS	Morland
KS	Moscow
KS	Mulvane
KS	Neodesha
KS	Ness City
KS	Newton
KS	North Newton
KS	Olathe
KS	Onaga
KS	Ottawa
KS	Overland Park
KS	Palco
KS	Paola
KS	Pittsburg
KS	Prairie Village
KS	Pratt
KS	Randolph
KS	Reading
KS	Rose Hill
KS	Rossville
KS	Saint George
KS	Salina
KS	Satanta
KS	Solomon
KS	Tecumseh
KS	Tonganoxie
KS	Topeka
KS	Tribune
KS	Troy
KS	Ulysses
KS	WaKeeney
KS	Wellsville
KS	Wichita
KS	Winfield
KY	Albany
KY	Bardstown
KY	Bedford
KY	Beechmont
KY	Berea
KY	Bowling Green
KY	Buckner
KY	Burkesville
KY	Calhoun
KY	Campbellsville
KY	Carrollton
KY	Central City
KY	Cumberland
KY	Danville
KY	Fordsville
KY	Forest Hills
KY	Fort Campbell
KY	Fort Knox
KY	Fort Thomas
KY	Frankfort
KY	Fulton
KY	Georgetown
KY	Henderson
KY	Highland Heights
KY	Lexington
KY	Liberty
KY	Livingston
KY	London
KY	Louisville
KY	Marion
KY	Mayfield
KY	Maysville
KY	Melbourne
KY	Middlesboro
KY	Murray
KY	Oneida
KY	Owensboro

KY Paducah
KY Paris
KY Pewee Valley
KY Radcliff
KY Richmond
KY Sandy Hook
KY Shepherdsville
KY Stanton
KY Stephensburg
KY Williamsburg
KY Winchester
KY Wooton
LA Arabi
LA Baton Rouge
LA Bonnabel
LA Grambling
LA Grand Coteau
LA Haughton
LA Homer
LA Lafayette
LA Mandeville
LA Mansfield
LA Many
LA Metairie
LA Monroe
LA New Orleans
LA Opelousas
LA Shreveport
LA Slidell
MA Agawam
MA Amherst
MA Andover
MA Ashfield
MA Barnstable
MA Bedford
MA Boston
MA Bourne
MA Bradford
MA Braintree
MA Brimfield
MA Brockton
MA Brookline
MA Burlington
MA Cambridge
MA Canton
MA Chatham
MA Chelmsford
MA Chestnut Hill
MA Concord
MA Dalton
MA Dover
MA Everett
MA Framingham
MA Harvard
MA Hinsdale
MA Holyoke
MA Huntington
MA Hyannis
MA Ipswich
MA Jamaica Plain
MA Lenox
MA Leominster
MA Lexington
MA Longmeadow
MA Lynn
MA Malden
MA Marblehead
MA Medford
MA Melrose
MA Methuen
MA Millbury
MA Montague
MA Newton Center
MA North Adams
MA North Andover
MA North Dartmouth
MA North Reading
MA Norwell
MA Oak Bluffs
MA Palmer
MA Rockport
MA Salem
MA Sandwich
MA Sherborn
MA Shrewsbury
MA Somerville
MA South Deerfield
MA South Lancaster
MA South Weymouth
MA South Yarmouth
MA Southborough
MA Spencer
MA Springfield
MA Stockbridge
MA Stoneham
MA Sturbridge
MA Tewksbury
MA Vineyard Haven
MA Wayland
MA West Bridgewater
MA West Newton
MA West Tisbury
MA Westborough
MA Westfield
MA Westminster
MA Westwood
MA Weymouth
MA Whitinsville
MA Whitman
MA Williamstown

MA	Winthrop
MA	Worcester
MA	Wrentham
MD	Annapolis
MD	Arnold
MD	Baldwin
MD	Baltimore
MD	Barnesville
MD	Bel Air
MD	Bethesda
MD	Bladensburg
MD	Bowie
MD	Brooklandville
MD	Burtonsville
MD	Centerville
MD	Chestertown
MD	Cheverly
MD	Chevy Chase
MD	College Park
MD	Columbia
MD	Cumberland
MD	Damascus
MD	District Heights
MD	Easton
MD	Ellicott City
MD	Forestville
MD	Fort Washington
MD	Frederick
MD	Gaithersburg
MD	Garrison
MD	Germantown
MD	Glenelg
MD	Hagerstown
MD	Harwood
MD	Hyattsville
MD	Landover Hills
MD	Largo
MD	Laurel
MD	Leonardtown
MD	Lisbon
MD	McDonogh
MD	Millersville
MD	Monrovia
MD	Mount Airy
MD	Olney
MD	Oxon Hill
MD	Parkton
MD	Pasadena
MD	Patterson
MD	Phoenix
MD	Piney Point
MD	Pocomoke City
MD	Potomac
MD	Rockville
MD	Saint Mary's City
MD	Salisbury
MD	Seabrook
MD	Severna Park
MD	Silver Spring
MD	Snow Hill
MD	Stevenson
MD	Suitland
MD	Takoma Park
MD	Towson
MD	University Park
MD	Upper Marlboro
MD	Westminister
MD	Woodbine
MD	Worton
MD	Wye Mills
ME	Anson
ME	Augusta
ME	Baileyville
ME	Belfast
ME	Bethel
ME	Brewer
ME	Brownfield
ME	Brunswick
ME	China
ME	Cornish
ME	East Corinth
ME	Eliot
ME	Ellsworth
ME	Etna
ME	Fork Harbor
ME	Freeport
ME	Gorham
ME	Greene
ME	Hallowell
ME	Hampden
ME	Houlton
ME	Lisbon
ME	Lisbon Falls
ME	Lovell
ME	Machias
ME	Mexico
ME	Millinocket
ME	Naples
ME	North Anson
ME	North Haven
ME	Oakland
ME	Orland
ME	Orono
ME	Poland
ME	Poland Spring
ME	Portland
ME	Readfield
ME	Saco
ME	Scarborough
ME	Skowhegan

ME	South Berwick
ME	South Paris
ME	Southwest Harbor
ME	Topsham
ME	Veazie
ME	Waldoboro
ME	Washburn
ME	Waterboro
ME	Waterville
ME	Wells
ME	Westbrook
ME	Wilton
ME	Winslow
ME	Winthrop
ME	Wiscasset
ME	Yarmouth
MI	Adrian,
MI	Albion
MI	Alma
MI	Alpena
MI	Ann Arbor
MI	Ashley
MI	Baltimore
MI	Battle Creek
MI	Bay City
MI	Benton Harbor
MI	Big Rapids
MI	Bloomfield Hills
MI	Caseville
MI	Cass City
MI	Cedar Lake
MI	Centreville
MI	Clare
MI	Clawson
MI	Clinton
MI	Coldwater
MI	Colon
MI	Comstock
MI	Detroit
MI	East Lansing
MI	Elsie
MI	Farmington
MI	Farmington Hills
MI	Fenton
MI	Flint
MI	Galien
MI	Grand Haven
MI	Grand Rapids
MI	Grosse Ile
MI	Grosse Pointe Woods
MI	Gwinn
MI	Hancock
MI	Harbor Beach
MI	Harper Woods
MI	Hartford
MI	Holland
MI	Holly
MI	Interlochen
MI	Ionia
MI	Ishpeming
MI	Ithica
MI	Kalamazoo
MI	Kentwood
MI	Lansing
MI	Leland
MI	Manistee
MI	Marquette
MI	Midland
MI	Montague
MI	Mount Clemens
MI	Mount Pleasant
MI	Muskegon
MI	Niles
MI	Olivet
MI	Pascagoula
MI	Pinckney
MI	Pontiac
MI	Port Huron
MI	Richmond
MI	Rochester
MI	Rose City
MI	Saginaw
MI	Saint Joseph
MI	Sandstone
MI	Sanford
MI	Shelbyville
MI	South Haven
MI	Southfield
MI	Spring Lake
MI	Sterling Heights
MI	Sturgis
MI	Swartz Creek
MI	Troy
MI	Utica
MI	Warren
MI	Wayne
MI	West Bloomfield
MI	West Branch
MI	Winona
MI	Wyoming
MI	Yazoo City
MI	Zeeland
MN	Alvarado
MN	Aurora
MN	Badger
MN	Blaine
MN	Bloomington
MN	Bricelyn
MN	Burnsville
MN	Cambridge

MN	Cedar
MN	Chatfield
MN	Chisago City
MN	Circle Pines
MN	Cloquet
MN	Cohasset
MN	Coon Rapids
MN	Crosby
MN	Deer Creek
MN	Deerwood
MN	Delavan
MN	Detroit Lakes
MN	Duluth
MN	Edin Prairie
MN	Elmore
MN	Emily
MN	Ersking
MN	Esko
MN	Faribault
MN	Farmington
MN	Fergus Falls
MN	Floodwood
MN	Forest Lake
MN	Fridley
MN	Fulda
MN	Grand Rapids
MN	Greenbush
MN	Hagerstown
MN	Hopkins
MN	Howard Lake
MN	Hutchinson
MN	Lamberton
MN	Lester Prairie
MN	Lewiston
MN	Lindstrom
MN	Little Falls
MN	Mandato
MN	Maple Grove
MN	Maplewood
MN	Marshall
MN	Minneapolis
MN	Minnetonka
MN	Montevideo
MN	Moorhead
MN	Moose Lake
MN	Morehead
MN	New Ulm
MN	North Branch
MN	Philadelphia
MN	Pine Island
MN	Pipestone
MN	Plymouth
MN	Proctor
MN	Remer
MN	Richfield
MN	Robbinsdale
MN	Rochester
MN	Roseau
MN	Rosemount
MN	Round Lake
MN	Saint Cloud
MN	Saint Joseph
MN	Saint Paul
MN	Scandia
MN	Silver Lake
MN	South Saint Paul
MN	Springfield
MN	St. Louis Park
MN	Staples
MN	Stewartville
MN	Two Harbors
MN	Villard
MN	Wadena
MN	Wanamingo
MN	Watertown
MN	White Bear Lake
MN	Winnebago
MN	Worthington
MN	Zumbrota
MO	Albany
MO	Ashland
MO	Bakersfield
MO	Belton
MO	Birch Tree
MO	Bloomfield
MO	Boonville
MO	Buffalo
MO	Carl Junction
MO	Carrollton
MO	Charleston
MO	Clever
MO	Columbia
MO	Creve Coeur
MO	Crystal City
MO	Easton
MO	Eldon
MO	Ellisville
MO	Ellsinore
MO	Elsberry
MO	Festus
MO	Fredericktown
MO	Fulton
MO	Gideon
MO	Granby
MO	Hagerstown
MO	Hannibal
MO	Higginsville
MO	Imperial
MO	Jasper
MO	Jefferson City

MO	Kansas City
MO	Kingdom City
MO	Kirkwood
MO	Knob Noster
MO	Lancaster
MO	Lawson
MO	Lee's Summit
MO	Macon
MO	Marshall
MO	Maysville
MO	Mexico
MO	Miller
MO	Mountain View
MO	Neosho
MO	New Franklin
MO	O'Fallon
MO	Orrick
MO	Owensville
MO	Paris
MO	Peculiar
MO	Philadelphia
MO	Poplar Bluff
MO	Potosi
MO	Prairie Home
MO	Republic
MO	Rolla
MO	Saint Ann
MO	Saint Charles
MO	Saint Joseph
MO	Saint Louis
MO	Sikeston
MO	Slater
MO	Smithton
MO	Springfield
MO	Sullivan
MO	Tuscumbia
MO	Union
MO	University City
MO	Versailles
MO	Villa Ridge
MO	Warrensburg
MO	Webb City
MO	Webster Groves
MO	West Plains
MO	Willard
MS	Ackerman
MS	Clinton
MS	Crystal Springs
MS	Eupora
MS	Glen
MS	Gulfport
MS	Hattiesburg
MS	Hernando
MS	Jackson
MS	Laurel
MS	Lorman
MS	Lumberton
MS	Mattapoisett
MS	McComb
MS	Melrose
MS	Mississippi State
MS	Natchez
MS	New Augusta
MS	Oxford
MS	Petal
MS	Picayune
MS	Pontotoc
MS	Richton
MS	Senatobia
MS	Starkville
MS	Sumner
MS	Tougaloo
MS	Tupelo
MS	Vicksburg
MS	Webb
MS	West Bridgewater
MS	Yazoo City
MT	Belfry
MT	Belgrade
MT	Belt
MT	Billings
MT	Boulder
MT	Bozeman
MT	Broadview
MT	Browning
MT	Busby
MT	Circle
MT	Colstrip
MT	Corvallis
MT	Culbertson
MT	Darby
MT	Eureka
MT	Forsyth
MT	Glasgow
MT	Glendive
MT	Great Falls
MT	Hamilton
MT	Kalispell
MT	Lima
MT	Marion
MT	Missoula
MT	Rudyard
MT	Saint Ignatius
MT	Scobey
MT	Seeley Lake
MT	Stevensville
MT	White Sulphur Springs
MT	Wolf Point
NC	Ash
NC	Asheboro

NC	Asheville
NC	Banner Elk
NC	Beaufort
NC	Camp Lejeune
NC	Chapel Hill
NC	Charlotte
NC	Clyde
NC	Danbury
NC	Durham
NC	Edneyville
NC	Elkin
NC	Farmville
NC	Fayetteville
NC	Germanton
NC	Goldsboro
NC	Greensboro
NC	Greenville
NC	Hallsboro
NC	Henderson
NC	Hendersonville
NC	Hertford
NC	Hickory
NC	High Point
NC	Highlands
NC	Hope Mills
NC	Kannapolis
NC	Laurinburg
NC	Lawndale
NC	Leland
NC	Lexington
NC	Lincolnton
NC	Little Switzerland
NC	Louisburg
NC	Monroe
NC	Morehead City
NC	Morganton
NC	Murfreesboro
NC	New Bern
NC	Newland
NC	Newton
NC	Raleigh
NC	Roxboro
NC	Salisbury
NC	Shallotte
NC	Sharpsburg
NC	Shelby
NC	Siler City
NC	Southport
NC	Spring Hope
NC	Spring Lake
NC	Statesville
NC	Taylorsville
NC	Troutman
NC	Tryon
NC	Weldon
NC	Whitakers
NC	Wilkesboro
NC	Williamston
NC	Wilmington
NC	Wilson
NC	Winston-Salem
ND	Amidon
ND	Bottineau
ND	Devils Lake
ND	Dickinson
ND	Fargo
ND	Grafton
ND	Grand Forks
ND	Hazen
ND	Inkster
ND	Jamestown
ND	Linton
ND	McVille
ND	Minot
ND	New Salem
ND	Tioga
ND	Wahpeton
ND	West Fargo
NE	Agallala
NE	Alliance
NE	Beatrice
NE	Cairo
NE	Chadron
NE	David City
NE	Dunning
NE	Elba
NE	Elmwood
NE	Fremont
NE	Gretna
NE	Hastings
NE	Hershey
NE	Holdrege
NE	Kearney
NE	Lincoln
NE	Milligan
NE	Norfolk
NE	North Bend
NE	North Platte
NE	Omaha
NE	Ord
NE	Pender
NE	Peru
NE	Seward
NE	South Sioux City
NE	Stella
NE	Sutton
NE	Tekamah
NE	Wahoo
NE	Wallace
NE	Wayne

NE	West Point
NE	Winnebago
NE	Wymore
NH	Alstead
NH	Amherst
NH	Barrington
NH	Bethlehem
NH	Concord
NH	Cornish
NH	Dover
NH	Durham
NH	Exeter
NH	Franconia
NH	Franklin
NH	Gilford
NH	Hanover
NH	Hudson
NH	Jefferson
NH	Keene
NH	Lebanon
NH	Manchester
NH	Merrimack
NH	Milford
NH	Milton
NH	Nashua
NH	North Peterborough
NH	Plymouth
NH	Portsmouth
NH	Rochester
NH	Somersworth
NH	South Sutton
NH	Stratham
NH	Suncook
NH	Thornton
NH	West Lebanon
NH	Woodsville
NJ	Atlantic City
NJ	Avenel
NJ	Belle Mead
NJ	Bergenfield
NJ	Bernardsville
NJ	Bloomfield
NJ	Brick
NJ	Bridgewater
NJ	Burlington City
NJ	Camden
NJ	Chatham
NJ	Cinnaminson
NJ	Clifton
NJ	Convent Station
NJ	Cranbury
NJ	East Brunswick
NJ	Edison
NJ	Elizabeth
NJ	Fair Lawn
NJ	Franklin
NJ	Franklin Park
NJ	Hackettstown
NJ	Haledon
NJ	Hamburg
NJ	Hillsdale
NJ	Irvington
NJ	Jersey City
NJ	Lakehurst
NJ	Lawrenceville
NJ	Leonia
NJ	Linden
NJ	Mahwah
NJ	Martinsville
NJ	Medford
NJ	Mendham
NJ	Mercerville
NJ	Moorestown
NJ	Mountain Lakes
NJ	New Brunswick
NJ	Newark
NJ	Newton
NJ	North Bergen
NJ	North Brunswick
NJ	North Caldwell
NJ	Oakhurst
NJ	Oakland
NJ	Ocean City
NJ	Paramus
NJ	Paterson
NJ	Pennington
NJ	Pittstown
NJ	Port Republic
NJ	Princeton
NJ	Ramsey
NJ	Randolph
NJ	Ridgewood
NJ	Roebling
NJ	Rumson
NJ	Runnemede
NJ	Rutherford
NJ	Scotch Plains
NJ	Shrewsbury
NJ	Somerset
NJ	Tinton Falls
NJ	Toms River
NJ	Trenton
NJ	Union
NJ	Upper Montclair
NJ	Upper Saddle River
NJ	Voorhees
NJ	Wayne
NJ	West Millington
NJ	Westfield
NJ	Whippany

NM Albuquerque
NM Carrizozo
NM Columbus
NM Deming
NM Edgewood
NM Farmington
NM Gallup
NM Hagerman
NM Las Cruces
NM Los Alamos
NM Los Lunas
NM Montezuma
NM Roswell
NM Santa Fe
NM Silver City
NM Springer
NM Tucumcari
NV Baker
NV Boulder City
NV Caliente
NV Fallon
NV Hawthorne
NV Las Vegas
NV Reno
NV Winnemucca
NY Albany
NY Alden
NY Amherst
NY Arcade
NY Attica
NY Auburn
NY Baldwin
NY Barker
NY Beacon
NY Bellmore
NY Bergen
NY Binghamton
NY Bolton Landing
NY Brentwood
NY Briarcliff Manor
NY Broadalbin
NY Bronx
NY Brooklyn
NY Buffalo
NY Campbell Hall
NY Canal Fulton
NY Canandaigua
NY Canastota
NY Canisteo
NY Centereach
NY Central Islip
NY Clinton
NY Cold Spring Harbor
NY Commack
NY De Witt
NY Delevan
NY Delmar
NY Dobbs Ferry
NY East Meadow
NY East Northport
NY Elmhurst
NY Elmira
NY Elmont
NY Endicott
NY Fallsburg
NY Farmingdale
NY Floral Park
NY Florida
NY Flushing
NY Fort Schuyler
NY Franklin Square
NY Galway
NY Geneva
NY Glen Cove
NY Glens Falls
NY Grand Island
NY Granville
NY Great Neck
NY Hampton Bays
NY Hollis
NY Hopewell Junction
NY Horseheads
NY Hudson
NY Ilion
NY Irving
NY Islip
NY Ithaca
NY Jackson Heights
NY Jamaica
NY Jamestown
NY Laurelton
NY Lio Beach
NY Liverpool
NY Lockport
NY Locust Valley
NY Long Beach
NY Madrid
NY Mamaroneck
NY Massapequa
NY Merrick
NY Millbrook
NY Minerva
NY Montauk
NY Morrisville
NY Nedrow
NY New York City
NY Newburgh
NY North Rose
NY North Tarrytown
NY North Tonawanda

NY	Norwich
NY	Norwood
NY	Oakdale
NY	Oceanside
NY	Old Westbury
NY	Olean
NY	Oneonta
NY	Oswego
NY	Owego
NY	Patchogue
NY	Pawling
NY	Pearl River
NY	Pelham
NY	Peru
NY	Plainview
NY	Port Washington
NY	Poughkeepsie
NY	Purchase
NY	Purdys
NY	Queens Village
NY	Red Hook
NY	Richmond Hill
NY	Riverdale
NY	Rochester
NY	Rye
NY	Saint Bonaventure
NY	Salamanca
NY	Sanborn
NY	Saranac Lake
NY	Sayville
NY	Scarsdale
NY	Schenectady
NY	Seaford
NY	Setauket
NY	Shoreham
NY	Smithtown
NY	Staten Island
NY	Suffern
NY	Syosset
NY	Syracuse
NY	Tappan
NY	Tarrytown
NY	Tonawanda
NY	Troy
NY	Utica
NY	Valley Stream
NY	Verona
NY	Wallkill
NY	Waterloo
NY	Watertown
NY	Webster
NY	West Hempstead
NY	West Seneca
NY	Westbury
NY	White Plains
NY	Williamsville
NY	Wolcott
NY	Woodside
NY	Yorktown Heights
OH	Akron
OH	Ashtabula
OH	Bascom
OH	Bellaire
OH	Belle Fontaine
OH	Berlin Center
OH	Bexley
OH	Bucyrus
OH	Cambridge
OH	Canal Winchester
OH	Canton
OH	Celina
OH	Chagrin Falls
OH	Chillicothe
OH	Cincinnati
OH	Cleveland
OH	Collins
OH	Columbiana
OH	Columbus
OH	Cortland
OH	Cushing
OH	Dayton
OH	Delaware
OH	Delphos
OH	Dover
OH	East Liverpool
OH	Elyria
OH	Fairborn
OH	Fairview Park
OH	Fayetteville
OH	Findlay
OH	Fort Jennings
OH	Fostoria
OH	Gambler
OH	Geneva
OH	Harrison
OH	Haviland
OH	Haworth
OH	Heath
OH	Hebron
OH	Hinckley
OH	Hiram
OH	Independence
OH	Jackson Center
OH	Jefferson
OH	Lakewood
OH	Lebanon
OH	Leipsic
OH	Lima
OH	Lorain
OH	Lucasville

OH Lynchburg
OH Mansfield
OH Marietta
OH Marysville
OH Mason
OH Massillon
OH Medina
OH Mentor
OH Metamora
OH Middleport
OH Millersburg
OH Mogadore
OH Monroeville
OH Mount Vernon
OH New Carlisle
OH New Philadelphia
OH Newark
OH North Olmsted
OH Ohio City
OH Orrville
OH Ottawa
OH Parma Heights
OH Pataskala
OH Pepper Pike
OH Perrysburg
OH Poland
OH Portsmouth
OH Rawson
OH Rio Grande
OH Rocky River
OH Salem
OH Sandusky
OH Sardinia
OH Shaker Heights
OH Sharon Center
OH Shelby
OH Shreve
OH Sidney
OH South Amherst
OH Springfield
OH Strasburg
OH Sullivan
OH Sunbury
OH Sylvania
OH Toledo
OH Tontogany
OH Toronto
OH Trotwood
OH Upper Sandusky
OH Utica
OH Van Wert
OH Vienna
OH Wapakoneta
OH Warren
OH Westerville
OH Whitehouse
OH Willoughby
OH Woodville
OH Wooster
OH Worthington
OH Wren
OH Xenia
OH Youngstown
OH Zanesville
OH Zoarville
OK Ada
OK Altus
OK Ardmore
OK Blackwell
OK Canadian
OK Cherokee
OK Chickasha
OK Claremore
OK Coweta
OK Cushing
OK Edmond
OK Elk City
OK Enid
OK Fort Towson
OK Foyil
OK Healdton
OK Hennessey
OK Hodgens
OK Indianola
OK Inola
OK Jay
OK Laverne
OK Lawton
OK Luther
OK Madill
OK Marlow
OK Miami
OK Midwest City
OK Moore
OK Muskogee
OK Newkirk
OK Norman
OK Oklahoma City
OK Okmulgee
OK Pauls Valley
OK Pawhuska
OK Perkins
OK Poteau
OK Roland
OK Sand Springs
OK Sapulpa
OK Shawnee
OK Shidler
OK Tahlequah
OK Tishomingo

OK	Tulsa
OK	Walters
OK	Westville
OK	Wilburton
OK	Woodward
OR	Beaverton
OR	Bend
OR	Cave Junction
OR	Coos Bay
OR	Eugene
OR	Falls City
OR	Grants Pass
OR	Gresham
OR	Hermiston
OR	Hillsboro
OR	Jacksonville
OR	Lake Oswego
OR	Marylhurst
OR	Medford
OR	Ontario
OR	Oregon City
OR	Portland
OR	Saint Benedict
OR	Saint Helens
OR	Saint Paul
OR	Salem
OR	The Dalles
OR	Tillamook
OR	Wilsonville
PA	Allentown
PA	Allison
PA	Ambler
PA	Ardmore
PA	Aston
PA	Audubon
PA	Berwyn
PA	Bethlehem
PA	Bloomsburg
PA	Boiling Springs
PA	Boyertown
PA	Bradford
PA	Buckingham
PA	Cambridge Springs
PA	Camp Hill
PA	Canonsburg
PA	Canton
PA	Cashtown
PA	Chalfont
PA	Chambersburg
PA	Clymer
PA	Columbia
PA	Cresson
PA	Dallas
PA	Danville
PA	Dover
PA	Doylestown
PA	Drexel Hill
PA	East Stroudsburg
PA	Ebensburg
PA	Edinboro
PA	Eighty Four
PA	Elizabethtown
PA	Elizabethville
PA	Elkins Park
PA	Emmaus
PA	Erie
PA	Flourtown
PA	Franklin
PA	Freeland
PA	Gettysburg
PA	Glenside
PA	Greensburg
PA	Greenville
PA	Gwynedd
PA	Hallstead
PA	Harrisburg
PA	Haverford
PA	Havertown
PA	Hazleton
PA	Hershey
PA	Hollidaysburg
PA	Hookstown
PA	Huntingdon
PA	Indiana
PA	Johnstown
PA	Kempton
PA	King of Prussia
PA	Lancaster
PA	Langhorne
PA	Lansdale
PA	Lebanon
PA	Leetsdale
PA	Lehighton
PA	Levittown
PA	Lewisburg
PA	Ligonier
PA	Lock Haven
PA	Markleysburg
PA	Meadville
PA	Mechanicsburg
PA	Media
PA	Mercersburg
PA	Middletown
PA	Milford
PA	Milmont Park
PA	Milton
PA	Monongahela
PA	Mount Joy
PA	Mountain Top
PA	Muncy

PA	Murrysville
PA	Nanticoke
PA	New Bloomfield
PA	New Holland
PA	Newville
PA	Norristown
PA	North Huntingdon
PA	North Wales
PA	Palmyra
PA	Pen Argyl
PA	Pennsburg
PA	Philadelphia
PA	Pine Grove
PA	Pittsburgh
PA	Pottstown
PA	Pottsville
PA	Prospect Park
PA	Quakertown
PA	Radnor
PA	Reading
PA	Republic
PA	Richboro
PA	Rosemont
PA	Roseto
PA	Saint David's
PA	Saltsburg
PA	Schuylkill Haven
PA	Scranton
PA	Shippensburg
PA	Slippery Rock
PA	Spring Grove
PA	Springfield
PA	State College
PA	Stroudsburg
PA	Sunbury
PA	Swarthmore
PA	Titusville
PA	Tyrone
PA	University Park
PA	Upper Darby
PA	Upper Saint Clair
PA	Villanova
PA	Wallaceton
PA	Warren
PA	Washington
PA	Waterford
PA	Wayne
PA	Waynesburg
PA	Wellsboro
PA	Westtown
PA	Wilkes-Barre
PA	Williamsport
PA	Wingate
PA	Wynnewood
PA	York
PA	Youngsville
PH	Napoleon
RI	Barrington
RI	Block Island
RI	Bradford
RI	Carolina
RI	Coventry
RI	Cranston
RI	Cumberland
RI	Lincoln
RI	Newport
RI	North Providence
RI	North Scituate
RI	Portsmouth
RI	Providence
RI	Wakefield
RI	Warwick
RI	Wood River Junction
SC	Aynor
SC	Central
SC	Charleston
SC	Columbia
SC	Darlington
SC	Dillon
SC	Duncan
SC	Easley
SC	Eastover
SC	Florence
SC	Goose Creek
SC	Greenville
SC	Greenwood
SC	Hanahan
SC	Hartsville
SC	Hilton Head Island
SC	Huger
SC	Johnsonville
SC	Liberty
SC	Loris
SC	Lugoff
SC	Moncks Corner
SC	Mount Pleasant
SC	Myrtle Beach
SC	North Charleston
SC	Pendleton
SC	Pickens
SC	Piedmont
SC	Prosperity
SC	Spartanburg
SC	Tigerville
SC	Union
SC	Westminister
SC	Winnsboro
SC	York
SD	Barnard
SD	Belle Fourche

SD	Brookings
SD	Custer
SD	Ellsworth AFB
SD	Frederick
SD	Groton
SD	Lower Brule
SD	McIntosh
SD	Mitchell
SD	North Sioux City
SD	Rapid City
SD	Salem
SD	Sisseton
SD	Vermillion
SD	Watertown
SD	Winner
TN	Blountville
TN	Bristol
TN	Chattanooga
TN	Clarksville
TN	Cleveland
TN	Collegedale
TN	Collierville
TN	Collinwood
TN	Columbia
TN	Crab Orchard
TN	Dandridge
TN	Dyersburg
TN	Erlin
TN	Franklin
TN	Harrogate
TN	Jackson
TN	Jasper
TN	Johnson City
TN	Knoxville
TN	La Vergne
TN	Lenoir City
TN	Limestone
TN	Loretto
TN	Madisonville
TN	McKenzie
TN	Memphis
TN	Morristown
TN	Murfreesboro
TN	Nashville
TN	Newport
TN	Oak Ridge
TN	Oliver Springs
TN	Paris
TN	Rutledge
TN	Savannah
TN	Strawberry Plains
TN	Summertown
TN	Tullahoma
TN	Waynesboro
TN	Winchester
TX	Abilene
TX	Addison
TX	Arlington
TX	Austin
TX	Baytown
TX	Beaumont
TX	Bedford
TX	Beeville
TX	Bellevue
TX	Belton
TX	Bridge City
TX	Brownsville
TX	Buda
TX	Bullard
TX	Burnet
TX	Caldwell
TX	China
TX	Coldspring
TX	College Station
TX	Corpus Christi
TX	Corsicana
TX	Crowley
TX	Dallas
TX	Denison
TX	Denton
TX	Diboll
TX	Dimmitt
TX	El Paso
TX	Fairfield
TX	Farmers Branch
TX	Ferris
TX	Floresville
TX	Fort Worth
TX	Galveston
TX	Gilmer
TX	Granbury
TX	Gregory
TX	Houston
TX	Hurst
TX	Itasca
TX	Jacksboro
TX	Jacksonville
TX	Jasper
TX	Junction
TX	Keller
TX	Kilgore
TX	Killeen
TX	League City
TX	Lewisville
TX	Longview
TX	Lubbock
TX	Marshall
TX	McAllen
TX	Meadow
TX	Mesquite

TX	Mineral Wells
TX	Mount Pleasant
TX	Nacogdoches
TX	New Braunfels
TX	Odessa
TX	Ore City
TX	Panhandle
TX	Perryton
TX	Pittsburg
TX	Plainview
TX	Plano
TX	Raymondville
TX	Richardson
TX	Richland Hills
TX	Robstown
TX	Round Rock
TX	Rusk
TX	San Antonio
TX	San Marcos
TX	Sherman
TX	Sulphur Springs
TX	Temple
TX	Tyler
TX	Uvalde
TX	Waco
TX	Weslaco
TX	Wharton
TX	Whitesboro
TX	Wichita Falls
TX	Woodsboro
UT	Bountiful
UT	Cedar City
UT	Clearfield
UT	Fillmore
UT	Heber City
UT	Logan
UT	Ogden
UT	Orem
UT	Payson
UT	Price
UT	Provo
UT	Riverton
UT	Roy
UT	Salt Lake City
VA	Alexandria
VA	Altavista
VA	Annandale
VA	Arlington
VA	Ashland
VA	Big Island
VA	Blacksburg
VA	Bluefield
VA	Boyce
VA	Bridgewater
VA	Broadway
VA	Burke
VA	Chantilly
VA	Charlotte Court House
VA	Charlottesville
VA	Chatham
VA	Christiansburg
VA	Clifton Forge
VA	Collinsville
VA	Covington
VA	Culpeper
VA	Dublin
VA	Fairfax
VA	Falls Church
VA	Fisherville
VA	Fredericksburg
VA	Front Royal
VA	Great Falls
VA	Greenway
VA	Harrisonburg
VA	Herndon
VA	Hollins College
VA	Irvington
VA	Isle Of Wight
VA	King William
VA	Lawrenceville
VA	Leesburg
VA	Lexington
VA	Lovington
VA	Luray
VA	Lynchburg
VA	Manassas
VA	Martinsville
VA	McLean
VA	Middleburg
VA	Midlothian
VA	Newport News
VA	Norfolk
VA	Oakton
VA	Orange
VA	Palmyra
VA	Pennington Gap
VA	Portsmouth
VA	Quantico
VA	Radford
VA	Richmond
VA	Roanoke
VA	Saluda
VA	Springfield
VA	Staunton
VA	Sterling
VA	Stuarts Draft
VA	Suffolk
VA	Sweet Briar
VA	Tazewell
VA	Verona

VA	Vienna
VA	Virginia Beach
VA	Warrenton
VA	Warsaw
VA	Waynesboro
VA	Williamsburg
VA	Winchester
VA	Woodberry Forest
VA	Woodbridge
VT	Barre
VT	Bellows Falls
VT	Bondville
VT	Brattleboro
VT	Burlington
VT	Castleton
VT	Charleston
VT	Chittenden
VT	Colchester
VT	Danville
VT	Dorset
VT	Fair Haven
VT	Fairfax
VT	Fairlee
VT	Jacksonville
VT	Jericho
VT	Johnson
VT	Londonderry
VT	Manchester
VT	Middlebury
VT	Milton
VT	Montpelier
VT	Moretown
VT	Morrisville
VT	North Bennington
VT	Northfield
VT	Pinewood
VT	Plainfield
VT	Poultney
VT	Putney
VT	Randolph
VT	Richford
VT	Rutland
VT	Saint Albans
VT	Saint Johnsbury
VT	Shelburne
VT	South Burlington
VT	Springfield
VT	Stamford
VT	Thetford
VT	Vernon
VT	Waitsfield
VT	Wells River
VT	West Brattleboro
VT	White River Junction
VT	Wilmington
VT	Winooski
VT	Woodstock
WA	Belfair
WA	Bellevue
WA	Bremerton
WA	Bridgeport
WA	Camas
WA	Cheney
WA	College Place
WA	Cumberland
WA	Deming
WA	Edmonds
WA	Ellensburg
WA	Forks
WA	Gig Harbor
WA	Goldendale
WA	Greenacres
WA	Kennewick
WA	Kent
WA	Kirkland
WA	Langley
WA	Mount Vernon
WA	Olympia
WA	Omak
WA	Oroville
WA	Pasco
WA	Port Angeles
WA	Poulsbo
WA	Redmond
WA	Republic
WA	Seattle
WA	Sedro Woolley
WA	Spokane
WA	Steilacoom
WA	Tacoma
WA	Tonasket
WA	Vancouver
WA	Waldron Island
WA	Walla Walla
WA	Washougal
WA	Yelm
WI	Appleton
WI	Beloit
WI	Berlin
WI	Black River Falls
WI	Brodhead
WI	Bruce
WI	Brussels
WI	Burlington
WI	Caledonia
WI	Cedarburg
WI	Cudahy
WI	De Pere
WI	Delavan
WI	Elkhorn

WI Evansville
WI Fond du Lac
WI Glendale
WI Grafton
WI Green Bay
WI Greenleaf
WI Greenwood
WI Hales Corners
WI Hartford
WI Janesville
WI Jefferson
WI Kenosha
WI La Farge
WI LaCrosse
WI Ladysmith
WI Lake Geneva
WI Livingston
WI Lodi
WI Madison
WI Marshfield
WI Menasha
WI Menomonee Falls
WI Menomonie
WI Milwaukee
WI Mineral Point
WI Mondovi
WI Muskego
WI Neenah
WI Neillsville
WI New Berlin
WI New Holstein
WI Oconto
WI Oconto Falls
WI Omro
WI Oneida
WI Oregon
WI Oshkosh
WI Osseo
WI Palmyra
WI Plymouth
WI Port Washington
WI Prairie du Chien
WI Racine
WI Radisson
WI Reedsburg
WI Rhinelander
WI Riblake
WI Ripon
WI Seymour
WI Sheboygan
WI Shell Lake
WI Shullsburg
WI Sinsinawa
WI Slinger
WI Sparta
WI Spooner
WI Stoughton
WI Superior
WI Trempealeau
WI Wabeno
WI Washington Island
WI Waterloo
WI Waukesha
WI Waupaca
WI Wausaw
WI Wauwatosa
WI Wauzeka
WI West Allis
WI West Bend
WI Westboro
WI Weyauwega
WI Whitewater
WI Wisconsin Rapids
WI Wittenberg
WI Woodruff
WV Berkeley Springs
WV Bethany
WV Branchland
WV Buckhannon
WV Chapmanville
WV Charles Town
WV Charleston
WV Clay
WV Dunmore
WV Elkins
WV Fairmont
WV Glenville
WV Grafton
WV Green Bank
WV Hamlin
WV Hedgesville
WV Hillsboro
WV Hopemont
WV Huntington
WV Jane Lew
WV Logan
WV Madison
WV Marlinton
WV Martinsburg
WV Mineralwells
WV Morefield
WV Morgantown
WV Nutter Fort
WV Petersburg
WV Troy
WV Troy
WV Weirton
WV West Liberty
WY Basin
WY Buffalo
WY Casper
WY Cheyenne
WY Dayton
WY Douglas
WY Green River
WY Mountain View
WY Powell
WY Riverton
WY Wheatland
WY Worland

CANADA

Ontario:
London
Stratford
Telegraph Creek
Toronto
Woodstock
Quebec:
Montreal
Saskatoon

FOREIGN

Austria	(Vienna)
Australia	(Carlton, Sydney, Ultimo)
Chile	(Santiago)
Columbia	(Bogota)
France	(Paris)
Israel	(Tel Aviv)
Puerto Rico	(Santurce)
Spain	(Bilboa, Madrid)
Uruguay	(Montevideo)
Virgin Islands	(Saint Thomas, Saint Croix)
West Pacific	(Saipan)
APO Miami, FL 34030	(Rio De Janiero, Brazil)
APO New York 09012	(Ramstein AB, Germany)
APO New York 09025	(Schwabisch Hall, Germany)
APO New York 09026	(Wildflecken, Germany)
APO New York 09029	(Berchtesgaden, Germany)
APO New York 09031	(Kitzengen, Germany)
APO New York 09033	(Schweinfurt, Germany)
APO New York 09034	(Baumholder, Germany)
APO New York 09035	(New Ulm, Germany)
APO New York 09036	(Wurzburg, Germany)
APO New York 09045	(Kirchgoens, Germany)
APO New York 09046	(Boeblingen, Germany)
APO New York 09047	(Wertheim, Germany)
APO New York 09050	(Bad Toelz, Germany)
APO New York 09053	(Garmisch, Germany)
APO New York 09056	(Worms, Germany)
APO New York 09057	(Rhein Main AB, Germany)
APO New York 09066	(Erlangen, Germany)
APO New York 09068	(Furth, Germany)
APO New York 09069	(Bremenhaven, Germany)
APO New York 09070	(Zindorf, Germany)
APO New York 09074	(Friedberg, Germany)
APO New York 09076	(Buedingen, Germany)
APO New York 09077	(Butzbach, Germany)
APO New York 09082	(Frankfurt, Germany)
APO New York 09091	(Gelnhausen, Germany)
APO New York 09093	(Nuernberg, Germany)
APO New York 09095	(Germersheim, Germany)
APO New York 09102	(Heidelberg, Germany)
APO New York 09107	(Mohringen, Germany)

FOREIGN (Continued)

APO New York 09111	(Bad Kreuznach, Germany)
APO New York 09114	(Grafenwoehr, Germany)
APO New York 09130	(Sembach AB, Germany)
APO New York 09131	(Vaihingen, Germany)
APO New York 09138	(Pirmasens, Germany)
APO New York 09139	(Bamberg, Germany)
APO New York 09140	(Illesheim, Germany)
APO New York 09141	(Bad Hersfeld, Germany)
APO New York 09142	(Schwabach, Germany)
APO New York 09143	(Giessen, Germany)
APO New York 09144	(Fischbach, Germany)
APO New York 09146	(Fulda, Germany)
APO New York 09154	(Stuttgart, Germany)
APO New York 09160	(Nellingen, Germany)
APO New York 09162	(Aschaffenburg, Germany)
APO New York 09164	(Karlsruhe, Germany)
APO New York 09165	(Hanau, Germany)
APO New York 09166	(Mannheim, Germany)
APO New York 09169	(Giessen, Germany)
APO New York 09173	(Hohenfels, Germany)
APO New York 09175	(Darmstadt, Germany)
APO New York 09176	(Heilbronn, Germany)
APO New York 09177	(Ansbach, Germany)
APO New York 09178	(Augsburg, Germany)
APO New York 09180	(Landstuhl, Germany)
APO New York 09185	(Mainz, Germany)
APO New York 09220	(Weisbaden, Germany)
APO New York 09221	(Vicenza, Italy)
APO New York 09281	(Schwabisch Gmund, Germany)
APO New York 09292	(Camp New Amsterdam, Soesterberg, Netherlands)
APO New York 09322	(Idar-Oberstein, Germany)
APO New York 09325	(Kaiserslautern, Germany)
APO New York 09330	(Bad Kissingen, Germany)
APO New York 09352	(Herzogenaurach, Germany)
APO New York 09354	(Flensberg, Germany)
APO New York 09355	(Garlstedt, Germany)
APO New York 09407	(Munich, Germany)
APO New York 09411	(Bindlach, Germany)
APO New York 09451	(Oberusel, Germany)
APO New York 09452	(Ambsberg, Germany)
APO New York 09455	(Babenhausen, Germany)
APO New York 09667	(Brussels, Belgium)
APO New York 09696	(Furth, Germany)
APO New York 09710	(Frankfurt, Germany)

AMERICAN FORCES INFORMATION SERVICE, OASD(PA)
American Forces Radio and Television Service
1016 North McCadden Place
Los Angeles, California 90038

STATION	LOCATION
Shape	Belgium
Frankfurt	Germany
Berlin	Germany
Bremerhaven	Germany
San Vito	Italy
Vicenza	Italy
Sigonella	Italy
Fort Clayton	Panama
Lajes	Azores
Torrejon	Spain
Iraklion	Crete
Incirlik	Turkey
Yokota	Japan
Clark	Philippines
Kadena	Okinawa
Misawa	Japan
Iwakuni	Japan
Sasebo	Japan
Roosevelt Roads	Puerto Rico
Guantanamo Bay	Cuba
Keflavik	Iceland
Thule	Greenland
Sondrestrom	Greenland
Seoul	Korea
Adak	Alaska
Diego Garcia	Indian Ocean
Kwajalein	Marshall Islands
Exmouth	Australia
USS Hunley	Pacific Fleet
USS Orion	Atlantic Fleet
USS Lexington	Atlantic Fleet
USS Mount Baker	Atlantic Fleet
USS Charles F. Adams	Pacific Fleet
USS Portland	Atlantic Fleet
USS Preble	Pacific Fleet
USS Blakely	Atlantic Fleet
USS O'Bannon	Atlantic Fleet
USS Independence	Pacific Fleet
USS Biddle	Atlantic Fleet
USS Sylvania	Atlantic Fleet
USS William V. Pratt	Atlantic Fleet
USS Blue Ridge	Pacific Fleet
USS Reeves	Pacific Fleet
USS Towers	Pacific Fleet
USS Sterett	Pacific Fleet
USS San Jose	Pacific Fleet
USS New Orleans	Pacific Fleet
USS Ranger	Pacific Fleet
USS England	Pacific Fleet
USS Fox	Pacific Fleet

USS Midway	Pacific Fleet
USS Ajax	Pacific Fleet
USS Peleliu	Pacific Fleet
USS Cleveland	Pacific Fleet
USS Niagara Falls	Pacific Fleet
USS Kiska	Pacific Fleet
USS White Plains	Pacific Fleet
USS Proteus	Pacific Fleet
USS Benjamin Stoddert	Pacific Fleet
USS Lynde McCormick	Pacific Fleet
USS Point Defiance	Pacific Fleet
USS Goldsborough	Pacific Fleet
USS Puget Sount	Atlantic Fleet
USS Guam	Atlantic Fleet
USS Nashville	Atlantic Fleet
USS Hermitage	Atlantic Fleet
USS Dewey	Atlantic Fleet
USS Seattle	Atlantic Fleet
USS Milwaukee	Atlantic Fleet
USS Forrestal	Atlantic Fleet
USS John King	Atlantic Fleet
USS Wainwright	Atlantic Fleet
USS Sierra	Atlantic Fleet
USS Coronado	Atlantic Fleet
USS Richard L. Page	Atlantic Fleet
USS W.S. Sims	Atlantic Fleet
USS Thorn	Atlantic Fleet
USS Jonas Ingram	Atlantic Fleet
USS MacDonough	Atlantic Fleet
USS Maley	Atlantic Fleet

NATIONAL SCULPTURE GARDEN

Senator REID. The fiscal 1988 request includes about $1.7 million for construction of the National Sculpture Garden.

Has there been any part of that design work completed to this work, or is this a totally new project?

Mr. BROWN. It is well along into the design development phase. The concept is to take up where we left off. The Congress appropriated funds for phase 1 quite a few years ago, in which the center and the double row of trees was put in. At my suggestion back then as Assistant Director, they did make a skating rink capability of the pool, because my dream was, when we eventually got a sculpture garden there, it might be nice to have some life and activity there, even in inclement weather in the winter. The design has matured to divide the space that is left over outside the pool into four major outdoor rooms or areas, each of which will be surrounded by greenery and some fence for security. This will then permit each room to have its own character, according to the nature of the art displayed there.

We envision small mounds and plantings, so that the sculpture has a sense of scale and also being out in nature.

So the plans are moving forward, and I think the Park Service, which will be administering the actual construction, hopes to get going within this year.

Senator REID. Do you have new gifts of sculpture for this area?

Mr. BROWN. We certainly have hopes of them. As I mentioned, the one large gift that we came so close to getting got done in by the economy, greatly to the sorrow of the donor.

Senator REID. That is the one you spoke about earlier?

Mr. BROWN. That's right, but we have hopes for other gifts. Our experience is that although it seems to be against logic, the tradition for the National Gallery has been to build the container first, and this seems to attract the content out of the private sector. When the original West Building of the gallery was given to the American people by Andrew Mellon, he constructed a building larger than the National Gallery in London, some 135 galleries, and he gave, along with it, his own art collection of incomparable value and importance, but only enough to fill 5 of those galleries.

In the 1960's, we had already run out of space in the West Building and had to construct the East Building, which is still far from being full, but nature does seem to abhor a vacuum, and the sense of patriotism on the part of our art-collecting citizens is very commendable.

SPECIAL EXHIBITIONS

Senator REID. You have had tremendous success with your program of special exhibitions.

It is my understanding, and we will get the exact figure on this, but over 1 million people, certainly, visited the Treasure Houses exhibit and about 400,000 at the Impressionism show. So it is clear that 1986 will be a tough act to follow. I am sure that is true. Overall visitation to the

gallery was nearly 12 percent higher than your revised prediction to the subcommittee last year at this time.

It goes without saying that those are the kinds of increases which we in Congress like to see. And I think it is fair to state, Mr. Brown, that you and your staff are to be commended for putting together exhibits that draw and have such wide public appeal, and we commend you on this.

With respect, though, to special exhibits, we realize that to get these, you must commit some funds in advance. That is, at least, my understanding.

Mr. BROWN. This is true.

Senator REID. To what extent will you have spent money prior to 1988 in support of exhibits listed on page 4–12 of this document that we have before us, and what will these funds be used for?

Mr. BROWN. We can detail that for you. The concept is that we have made an accounting change in our approach to these exhibition funds, and we have gone on the accrual method, so that we will have a much more even flow as we talk about the expenses each year that attach to that particular show. But I think it is an excellent point that in preparing for shows, far out—and I spent part of the lunch hour discussing an exhibition to take place in 1992—that we have forward planning to do, and therefore, expenses to incur.

Senator REID. Well, I would like if you could in that regard provide for the record the information relative to this question in more detail, and if you can do it by exhibit, that would be appreciated.

Mr. BROWN. I would be very happy to.

[The information follows:]

Special exhibitions expenditures incurred for fiscal year 1988 exhibits as of February 28, 1987

Exhibit	
Rosso Fiorentino	$12,000
Georgia O'Keeffe	43,000
Folk Art from Shelburne Museum	8,000
Art of Paul Gauguin	79,000
Sweden Arts of the Crown	9,000
Peale Family Still Life	1,000
Total	152,000

These funds are being used primarily for organization costs such as travel and research.

SPECIAL EXHIBITS FUNDRAISING

Senator REID. While we are talking about this same subject, the budget justification notes: "Fundraising for a smaller exhibition is becoming more difficult as corporations shift more of their funds to meet local service demands."

Mr. Brown, can you tell us what is causing this trend and what successes have the two new employees in corporate relations had in reversing it if, in fact, there has been any reversal?

Mr. BROWN. Well, we have found that with the pullback of Federal support in some of the broader social service and educational areas, corporations which at one time felt relaxed about concentrating their philanthropic dollar on culture now find a whole new set of priorities to contend with. And so the climate in corporate boardrooms has militated against having too much of their funding go into cultural events in comparison with local community chest drives, support of education, or of social services in their local areas.

And so we have seen some of the corporations pulling back in this area. At the same time, thanks to Congress, we have now a full-time person in the corporate relations field who can help us scout out possible donors and new donors, and we hope to be able to continue the mandate of Congress to try to make our exhibition program truly a joint effort between us and keep up our end.

Senator REID. I have been requested by a number of people to direct some inquiry in this regard.

You, of course, have been through the Hart Building and seen the Calder that hangs there. I have been requested by various staff people to—wondering if you would also rotate that any place. [Laughter.]

Mr. BROWN. Our registrar and art packers are good at shipping almost any object. I am not sure how they would react to that challenge.

Senator REID. We are finished with the line of testimony that relates to the gallery.

It is my understanding that you are going to lead the discussion but that there would be a different supporting cast on the Commission of Fine Arts.

Is that right?

So if you would be kind enough to introduce—change hats and introduce your supporting cast, that would be appreciated.

ADDITIONAL COMMITTEE QUESTIONS

Thank you. There will be some additional questions which we will submit to you for your responses for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

GENERAL BUDGET REQUEST

Question. Mr. Brown, for "Salaries and Expenses" of the Gallery, you are requesting $2,652,000 more than the current level, or an increase of nearly 8 percent. What portion of this increase represents actual program enhancements, and how much is intended to cover higher "uncontrollable" costs such as the January, 1987, pay raise and the revisions to the civil service retirement system?

Answer. $23,000 of the requested $2,652,000 represents actual program enhancements as noted on page 1-27 of our FY 1988 submission. The remaining $2,629,000 is to cover the higher uncontrollable costs, as follows: $261,000 for within-grade promotions and wage board step increases; $704,000 for annualized cost of the January, 1987 pay raise; $1,402,000 for increased costs of the new Federal Employees Retirement System (FERS); and $262,000 for increased costs of rents, communications and utilities, new travel per diem allowances, and services for maintenance and repairs of word processors and personal computers.

CONSERVATION ACTIVITIES

Question. What is the pending backlog by category of art?

Answer. The table below indicates the number of works in the collection, organized by departmental responsibility, that require treatment. Listed are the major, minor, and backlog of necessary treatments. These figures are based on estimates made by the staff through extensive examination of the collection.

Conservation Treatments:

Paintings
Pieces in Collection: 2550
Major treatments per yr.: 19
Backlog: 249
Minor treatments per yr.: 134
No Backlog

Sculpture, Ceramics, Medals and Other Objects
Pieces in Collection: 2,400
Major treatments per yr.: 17
Backlog: 1005
Minor treatments per yr.: 79
Backlog: 340

Paper
Pieces in Collection: 75,000
Major Treatments per yr.: 50
Backlog: 4849
Minor treatments per yr.: 187
Backlog: 49,440

Scientific
Analytical Studies per yr: 76
Backlog: 523

Question. Page 1-15 of the budget notes that conservation of the Rothko paintings will require additional funding. How much will be required for this work, and are these funds included within the 1988 budget?

Answer. While a preliminary survey of the large number of Rothko paintings and works of art on paper has been reviewed, the full scope of the project to prepare these works for exhibition will be known after the pieces arrive from the Rothko Foundation. Our estimate is that at least two conservators at a GS-11 would be required to survey, set treatment priorities, and start work on restoration of the collection. The approximate costs for two conservators will be $66,000. These funds are not included within the FY 1988 budget.

GALLERY EXTENSION SERVICE

Question. How much did the Gallery spend in support of extension programs in fiscal year 1986, including related administration and conservation costs. How much is planned to be spent for extension programs in FY 1987 and FY 1988?

Answer. In FY 1986, the Gallery spent $581,000 in support of the extension programs. We estimate expenditures of $663,000 in FY 1987 and $677,000 in FY 1988.

NATIONAL SCULPTURE GARDEN

Question. Approximately $2.7 million has been used or requested for this project to date. How much will be required after FY 1988 to complete this project, and when will it be completed?

Answer. Approximately $300,000 of the $1,121,000 balance at the end of FY 1988 will be required to complete the site construction of the National Sculpture Garden. Currently, we estimate the completion of this project in FY 1989. At that time, we estimate an additional requirement of approximately $500,000 as follows: $250,000 for one-time initial transportation and installation of the sculpture; $185,000 annual conservation and maintenance cost, and $65,000 for annual security guard cost.

Question. Has a final agreement been reached with a food service concessioner, and what is the planned design and location of this facility?

Answer. The food concession will come under the National Park Service when the Sculpture Garden has been established. It is our understanding that the food service facility will be housed in a new one-story superstructure to be built over the existing below-grade structure at the west side of the site. It will provide walk-up food service and tables for the public. The facade will be composed of an evenly spaced metal framework in an Art Nouveau style on four sides and a rolled edge metal roof.

REPAIR, RESTORATION AND RENOVATION PROGRAM

Question. In FY 1987, Congress approved $2.4 million of the Repair, Restoration and Renovation program. This year, however, you have requested only $400,000 in new budget authority, yet indicate that the FY 1988 program will be similar to the FY 1987 program. Your justification indicates that you will keep the program on schedule through the use of unobligated balances which are estimated to be $3.22 million at the end of FY 1987. Why haven't these funds been obligated as quickly as you had originally expected?

Answer. The majority of the unobligated balance expected at the end of FY 1987 is designated for the National Sculpture Garden. The National Park Service has been working with consultants to complete design of the project, including landscaping and installation of the restaurant. However, obligation of funds held by the National Gallery of Art primarily are dependent on donations of sculpture to make up the Garden. Another portion of the expected balance at the end of FY 1987 is designated for an energy management program recommended to the Gallery by a consulting engineer. Work resulting from that study will be implemented after further review, but it is not expected to be completed this fiscal year. Many other repair, restoration, and renovation projects are currently underway and will be obligating monies in FY 1987. Other projects now in early planning and design stages are expected to be completed for obligation of funds in FY 1988.

Question. It is still early in the year, but are you comfortable with the $3.22 million you are anticipating in carryover balances?

Answer. Yes, we are satisfied that the anticipated carryover balance is nearing the time at which funds will be obligated. There has been no change in our original intentions for projects which will require the expenditure of these funds.

SPECIAL EXHIBITS

Question. What expenses will you incur in FY 1988 for exhibitions that will not begin until October 1988 or later?

Answer. We estimate that we may incur about $1,341,000 of expenses in FY 1988 for exhibitions that will not begin until October 1988 or later. $1,153,000 of this expense is for the Japan, Michelangelo drawings, and pastoral landscapes exhibits which all open in October, 1988.

Question. In your justification, you indicate that in the long term, it is justifiable for the Gallery to have its exhibition program completely supported by federal appropriation, as are its other day-to-day public educational and art-care undertakings. What does your authorizing statute allow?

Answer. Our authorizing statute is the Joint Resolution of Congress approved March 24, 1937, 20 U.S.C. 71 et seq. Federal appropriations for the cost of the Gallery's exhibition program are provided for in the basic authorizing section as follows:

> §74 Maintenance
> "(a) Pledge of funds for upkeep; authorization of appropriations. The faith of the United States is pledged that, on completion of the National Gallery of Art by the donor in accordance with the terms of this subchapter and the acquisition from the donor of the collection of works of art, the United States will provide such funds as may be necessary for the upkeep of the National Gallery of Art and the administrative expenses and costs of operations thereof, including the protection and care of works of art acquired by the board, so that the National Gallery of Art shall be at all times properly maintained and the works of art contained therein shall be exhibited regularly to the general public free of charge. For these purposes and to provide, prior to the completion of the National Gallery of Art, for the protection and care of the works of art in said Gallery and for administrative and cooperating expenses and equipment preparatory to the opening of the Gallery to the public, there are authorized to be appropriated such sums as may be necessary."

Traditionally, it's been considered that mounting a special exhibition is a normal museum function within the statutory guidelines set forth above.

Question. Do you feel it is easier to raise money privately or from the Appropriations Committee?

Answer. As noted in our justification at page 4-9, "fundraising for smaller exhibitions is becoming more difficult as corporations shift more of their funds to meet local service demands." We have recently also had difficulty obtaining corporate support for major exhibitions. This has required increased

efforts on the part of the Gallery to convince corporations of the desirability of supporting major exhibitions. While we have been somewhat successful to date, we have no reason to believe that the difficulties will not continue in the future.

Question. How will the new simplified tax law change your ability to raise private funds?

Answer. Various studies have been made predicting a dampening effect on private contribution to exempt organizations, such as the Gallery, due to various changes in the Tax Reform Act of 1986, such as lowering of the basic income tax rates, elimination of the charitable deduction for non-itemizers, and the tax preference treatment of the appreciated property component of contributions in kind under the alternative minimum tax provisions. Others have predicted possible counter forces from the elimination of more favorable rates for capital gains and in the recent talk of possibly postponing the lower rate now provided to come into effect in 1988. Although tax treatment is undoubtedly one factor in charitable contributions, it is by no means the only one, and it is far too soon, in our experience at least, to judge the net impact of the new tax provisions on our ability to raise private funds.

MINOR REORGANIZATION

Question. I note in your FY 1988 budget submission that the Gallery is proposing a reorganization of your adjustments to the base budget. From what I can see, this appears to be very minor reorganization in your budget presentation.

In FY 1987, the Subcommittee's reprogramming guidelines were changed and require a reprogramming when an agency under the Subcommittee's jurisdiction reorganizes even without a change in funding. Could you briefly explain this reorganization?

Answer. For the first time since the opening of the East Building, the Gallery conducted a management study to review the organization of the operation department with the goal of identifying areas where changes were warranted. As a result, a new head of security was appointed and the department was expanded to include a security specialist and two trade shops, the electronics shop and the lock shop which were transferred from the operations and maintenance function. The lock shop repairs and maintains all locks throughout both buildings; and the electronics shops maintains and replaces all security devices of the Gallery. Each of these moves was made to strengthen the security organization.

In the area of building management, the planning and construction officer, who formerly reported to the deputy director (the art care function), now reports directly to the administrator as part of the operations and maintenance function. This move will facilitate coordination between trade shops and planning and construction.

In addition, a few years ago we transferred some positions for which we neglected to transfer the funding. This consisted of: moving the two projectionist from the electrician shop more appropriately to the audovisual department; moving an electrician to installation and design department to help with installation of exhibitions; and moving some stay-in-school positions from general administration to the library to help with the workload there.

Question. Was this reorganization discussed with the Subcommittee?

Answer. Although this reorganization was not discussed at length with the subcommittee, the subcommittee staff, prior to the hearing, was given a chart briefly detailing the budget transfers between functions. These minor reorganization steps did not add to expenses nor did they significantly change the thrust of any Gallery functions.

NEW LIBRARIAN POSITION

Question. In FY 1988, you are requesting funds for a librarian. This position was previously funded by the A.W. Mellon Foundation. These funds, however, were exhausted at the end of FY 1986. What have you done with this position during the first half of FY 1987? If nothing, why? Is it not important?

Answer. Investment income from the Foundation grant enabled us to fund the vertical files librarian position longer than we expected, but these funds will be exhausted by June, 1987. At that time, we will staff the vertical files on an emergency basis by shifting staff from other departments. This is a temporary arrangement, however, one that can only be used for a short time.

Question. If you are using Gallery funds for this position in FY 1987, why weren't they assumed in the base budget for FY 1988?

Answer. No Gallery appropriated funds were expended in 1987 or prior years for the vertical files librarian position.

COMMISSION OF FINE ARTS

STATEMENT OF J. CARTER BROWN, CHAIRMAN

ACCOMPANIED BY:

CHARLES ATHERTON, SECRETARY
DONALD B. MYER, ASSISTANT SECRETARY
JOE TROPEA, BUDGET ANALYST

PREPARED STATEMENT

Senator REID. Thank you. Fiscal year 1988 budget request for the Commission of Fine Arts is $446,000, a decrease of some $4,000 below the fiscal year 1987 appropriation levels.

Mr. Brown, your complete opening statement, of course, will be included in the record at this point.

[The statement follows:]

STATEMENT OF J. CARTER BROWN

The Commission of Fine Arts is requesting a total appropriation of $446,000 for fiscal year 1988. This represents a slight drop of $4,000 from our current level which is due to our personnel and operating cost increase being offset by an almost equal drop in our printing costs. We appreciate the funding Congress made available last year for completion of our 16th Street publication and for the filling of our staff vacancy, which is also going to be very helpful to the Commission.

Before we get into any details about our budget, Mr. Chairman, I thought it might be useful to highlight for the committee some of the Commission's activities over the last year.

At the top of our list are two projects that came to us through committees of Congress.

The first was the enactment of legislation greatly restricting memorial construction in the central core of Washington. The great number of memorial proposals that were introduced in the last session of Congress was a signal to many of us that we were fast running out of suitable sites, and that we had to take steps to preserve the central parts of the city for only those future memorials that were of exceptional historic significance. I am happy to say that after extensive testimony from all the agencies most directly involved in this problem, both Houses of Congress passed the proposal by a wide margin and it is now law.

The Commission was also asked to testify before the Congress on the impact the 52-story PortAmerica development would have on the Washington skyline and on the preeminence of our great national symbols, the Capitol and the Washington Monument. We particularly welcomed this opportunity; the project is just outside the District line and not within our jurisdiction, so a request from the Congress to comment was most helpful. As you know, this Commission and others had serious concerns about the tower element of the project, and its aesthetic and historic impact, as well as the safety hazard of such a tall building in proximity to National Airport. As a result of this opposition the developer announced unofficially that his present plans call for substituting two 30-story buildings, although we have received no formal confirmation of these changes in plan. At least such a proposal would be going in the right direction, and it is our hope that this is, in fact, the developer's intention.

On another front also out of the Commission's jurisdiction, but one in which we had become involved at the request of the D.C. Zoning Commission, I am sorry to note that efforts to change certain features of the Techworld project at Eighth and K Streets, NW. were unsuccessful. We and others had asked that the Eighth Street vista between the old Carnegie Library and the National Museum of American Art be kept open, but the decision handed down by the courts will not make this possible.

Elsewhere in the city the news is better. The opening of the Willard Hotel confirmed just how worthwhile it was to wage the long and often frustrating fight to save it. Our Commission was in the forefront of this battle from the day the Willard closed its doors in 1968, so it is especially gratifying to us to see how well and in what great style the Willard has returned. There are many people who can take genuine satisfaction in having participated in this endeavor, in particular the original, competition winning architects, Hardy Holzman Pfeiffer, and the Oliver Carr Co., and its architects.

At other locations along Pennsylvania Avenue, work is nearly completed on the Cadillac Fairview project, a very handsome building between 10th and 11th Streets, and the Navy Memorial continues to move toward completion. The Commission approved the Lone Sailor statue last summer, and just a few weeks ago looked at designs for some of the many sculptural and decorative elements that remain to be worked out. The Market Square project surrounding this memorial was also given final design approval recently.

Work on the Canadian Chancery is at last underway, and next door a copy of the statue of Chief Justice John Marshall, the one that stood for many years on the western approaches to the Capitol, has recently been added to the park that bears his name.

Further west, on the Mall, the Commission was shown preliminary plans for new visitors' facilities on the Washington Monument Grounds and around the base of the obelisk. All these changes are being proposed in the context of making life a little easier for the many thousands of visitors who often must wait many hours to make a trip to the top of the monument. Along with the Capitol and the White House, the Washington Monument and its grounds are among the most cherished American sites, and it was in this spirit that the Commission expressed concern over some of the changes that were put forward. I know the Park Service is taking our comments very seriously and we look forward to working with them to improve visitors' facilities while at the same time avoiding anything that would detract from the beauty of the monument or its setting.

Another visitors' center that has occupied much of our time in recent months is the new structure to be located at Arlington National Cemetery. It will serve as an information and orientation center as well as incorporate facilities for a large amount of parking. It was this latter aspect that greatly troubled the Commission, and it was only after extensive studies by the architect, and the development of a much altered landscape scheme, that the project was approved. The site is very close to the south side of Memorial Drive, and the potential for damaging the effect of this highly symbolic avenue was considerable. I think we can say, however, that every effort has been made to screen the parking facility and limit the view of the center so as to ensure that there will be no impairment of Arlington Cemetery.

The Commission continues to spend a great deal of time reviewing matters referred by the District government concerning private sector development in the Georgetown and Shipstead-Luce Act Districts of Washington. The Georgetown area is especially demanding of our attention, primarily because of the keen interest and involvement on the part of its citizens in anything that would bring about change. I have been a resident of this historic area for a number of years, so I sympathize with my neighbors' concerns over the many proposals that alter the appearance of our community. We must, however, put those changes in the perspective of how they affect the quality of the area as seen from the public's vantage point and also the larger Federal interest, not only from the narrower views from our own backyards.

Finally, the Commission has been engaged in a continuing dialog with the mint on its coinage and medal programs and the need for broadening the participation of American sculptors in the preparation of new designs. The Commission's focus on this issue was sharpened at the time the designs for the gold and silver bullion coins were

presented to the Commission for its comments. As you may know, the gold issue was based on an older and very beautiful coin known as the Double Eagle which had been first issued in 1907 and was designed by one of our Nation's most distinguished sculptors, Augustus Saint-Gaudens.

While acknowledging the beauty of the new coin, the Commission was at the same time disappointed that no effort had been made to seek a fresh design from a new generation of sculptors. A Nation's creative wealth can be gaged by various signposts along the way, and we should avail ourselves of every opportunity to explore new directions and new forms. As a result of these deliberations, we strongly urged that the mint utilize the opportunity to draw upon new artists in its production of the recently authorized bicentennial of the Constitution coins, and I am happy to report that the mint has just announced a limited competition inviting sculptors to participate in the design of this new issue. We find that very heartening news indeed.

Mr. Chairman, that concludes our brief overview of some of the highlights of the Commission's activities in 1986; I will be happy to try to answer any questions you might have.

SUMMARY STATEMENT

Senator REID. If you would be kind enough at this stage to summarize the statement. Your statement will, as I have indicated, be made complete in the record.

Mr. BROWN. Thank you, Mr. Chairman. The prepared statement covers our activities this year.

I should say on a broader level that the Commission recently celebrated its 75th anniversary. It was created in 1910 to advise the Congress and the President on matters dealing with art and architecture, particularly with respect to the National Capital and its monumental areas.

That has been supplemented since by legislation such as the act which specified a specific area in the monumental core and specific kinds of advice that we are called upon to give.

Shortly after World War II, there was the passage of the Old Georgetown Act, which gives even more specific instructions about matters that pertain to that historic district.

We are served by a Commission of seven members, appointed by the President of the United States to represent judgment in the fine arts and the country geographically, and these good people serve without compensation. We have some 10 or so meetings a year, and they come and spend the day here on site inspections and hearing the applicants as a public service.

Senator REID. At last year's hearing the matter of printing costs was discussed. It was anticipated that the sales to the public by the Government Printing Office of your publication on 16th Street architecture would return to the Treasury some of the costs of publishing the document.

What is the latest on this?

Mr. BROWN. I don't know if we have the figures.

Mr. ATHERTON. $40,000 will be the cost. The book has not been published. On our past experience, a good two-thirds of the costs of publishing and printing will be returned to the Treasury.

Virtually every book we have ever published has been sold out on its first printing, and several have been reprinted twice and some three times.

Mr. BROWN. We cannot pretend to compete, however, with certain best sellers published by the Government Printing Office of recent date.

Senator REID. That sold well.

Do you have a printing schedule on this?

Mr. ATHERTON. Yes; the manuscript will go to GPO on October 1 of this year, and we expect that publication will take place sometime next summer probably.

Senator REID. What do you contemplate, if anything, for future publications, especially with regard to Georgetown?

Mr. BROWN. That is our next area of work. It will be several years, I think, before we have that in publishable form, but there are certain basic areas that are of the highest concentration of historic architecture and Georgetown has been very important to this capital and to the Commission. We hope to do some significant work in that area next.

Senator REID. Would you update the subcommittee on the discussion that took place here last year regarding the possible extension of the Pentagon?

Are there alternatives emerging? What are your views on the alternatives?

Just generally inform us as to what has gone on the past year in this regard.

Mr. BROWN. There has been a strange silence from that quarter. As far as we are concerned, we are not in a position to advise. This is a silence which we have greeted with certain approbation because when you start fiddling with the skyline over there and the environs of Arlington Cemetery and the shores of the Potomac, that is a very beautiful and sensitive area. Whatever is done has to be done with great care.

But my understanding is that GSA is taking initiatives in other parts of the city for office space, notably a large project which would be a joint project at the international center that comes in that space just south of the plaza, bounded by 13th and 15th Streets south of Pennsylvania Avenue, next to the District Building.

So I know that they have a policy of trying to add to the Federal Government's capability in office space, but we have had no specific indications from the Pentagon as to what plans they want to bring before us, at least not since we were here last.

Senator REID. When you talked about the skyline, that brings me to a question.

What was the Commission's role, if any, in the Park Service waiver of the height restriction for the hotel at the Washington Harbor site?

Mr. BROWN. That height restriction was not one of the scarier ones in Washington. I think it was 40 feet. The damage had been done by the District, having ignored our advice and allowed the Washington Harbor project to be built on the waterfront instead of doing what we had hoped, which was to turn it into a park.

So once that silhouette was there it seemed to us that our lady was a little bit pregnant, and that putting a handsome hotel facility, which we felt would be very well financed and be at the highest levels of quality and finish, tucked in there along the banks at the end of Rock Creek Park, would not impact negatively. In fact, part of the tradeoffs were that at private expense all of that area would be cleaned up and landscaped and, in addition, a whole park on the other side would be given to the city.

So my own judgment was that the public interest was very well served by the agreement which the Park Service struck with the developers.

Senator REID. With regard to the proposed new visitors' facilities on the Washington Monument grounds, can you tell us what concerns, if any, you have?

Mr. BROWN. We have double concerns. As people and as visitors ourselves, obviously we are very concerned for the welfare of the visitor. This city gets pretty hot in the height of the tourist season in the summer, and standing in line out there in that sun is no fun.

At the same time, we have also to recognize the symbolic importance of that extraordinary monument to the Nation and the grandeur of the conception of The Mall as its setting.

The proposal that was brought before us had what we thought was a very large structure planted on The Mall right on axis with 15th Street, so that it would be very prominent, and in addition a whole lot of little trees planted at the foot of the actual monument itself, which we felt would look extremely dinky and undignified compared to the grandeur of that wonderfully sheer shaft that soars up there.

So that we felt this was an important function to study; it is partly provided now by some structures which are not very savory in themselves. So there is room for improvement, but we felt there was room for improvement in the proposed design as well.

Senator REID. So what is the status of the project?

Mr. BROWN. We are waiting to have them come back to us with a revised design.

Senator REID. What was the Commission's involvement in the renovation of Key Bridge and the proposed changes to the Whitehurst Freeway?

Mr. BROWN. We are very proud of our little involvement in the Key Bridge situation. It helps to have an applicant who is sensitive to the issues involved and willing to go the extra bit, and I think now the view from the bridge has been preserved. The widening has been achieved without impacting the historic value.

We have Mr. Myer here, who did an extensive study on Washington bridges so we had our own expertise.

The Whitehurst Freeway is one of the conundrums of design in this town. As you know, the great designer, international urban designer, Doxiadis, was retained years ago to do a study of this and came up with a plan that would put the whole thing underground in a tunnel,

and, of course, from an aesthetic point of view that would solve many problems, although even tunnels create some problems by virtue of the ramps that go down into them.

But since then and since about 15 other studies in this area, the District has weighed the alternatives and come up with the idea, somewhat surprising at first, that maybe the least of the evils is to leave the Whitehurst Freeway where it is.

And I must say when you hear all of the arguments and look at the alternatives, if they are willing to clean it up and make it a little less obnoxious, it may be the least of the evils within the realm of practicality, not counting the wonderful dream of getting rid of the darned thing altogether.

Since then, a group of Georgetown businessmen came before us with their proposed solution, which seemed to us quite imaginative and feasible, but we have heard nothing from them or the District since. So we are waiting to be informed where that stands.

Senator REID. What was the Commission's involvement in the location of the Canadian Chancery, and does the Commission have any views about the dispersal of Embassy facilities versus the centralization of these facilities in one or two areas of the city?

Mr. BROWN. To take the last part first, we have been very encouraging of the wonderful complex that is being developed now up near the Intelsat building, on upper Connecticut Avenue, which is a wonderful way of concentrating chanceries, which do most damage, I think, when they come into residential neighborhoods and get the local residents very upset.

The location of the Canadian Embassy did not, to my knowledge, come before us as an issue. The design of it did.

The design, we were very enthusiastic about. It seemed to solve the contextual problem with great originality and a great sense of quality. It had a difficult problem to solve because it had to mediate between the columns of the Federal Trade Commission Building and the Old National Gallery Building on one side, and I.M. Pei's East Building on the other, and the solution the leading Canadian architect Arthur Erickson came up with appealed to the Commission greatly.

However, the site selection was more of a planning than a design issue and did not come before us.

Senator REID. Were you involved in the decision to renovate the west front of the Capitol?

Mr. BROWN. Originally, I suppose we were because the Congress asked the Commission to get into that act. It was before even my time, which is now going on a little bit, but that did happen then.

The Capitol is in the jurisdiction of the Architect of the Capitol, and he has been very open with us in consulting on all manner of projects in this part of the city, and the Commission has not been involved since those early days.

Senator REID. Thank you, Mr. Brown, for your testimony. We appreciate the efforts of the Commission of Fine Arts and its staff. We

recognize that the members of the Commission serve basically without compensation, other than reimbursement for travel expenses and per diem which amounts to very little. You are commended for presenting a budget that is lower than last year. Thank you very much for your time and your testimony.

Mr. BROWN. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator REID. There will be some additional committee questions that we will submit to you for your response.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Question. The Commission was less than enthusiastic with the design of the U.S. Holocaust Memorial Museum and, in fact, made several recommendations to the Council concerning the design. The Holocaust Council originally accepted those recommendations and revised the design in significant ways.

It is now my understanding, however, that the Holocaust Council has completely dropped this design and is working on another one.

Did the Commission play a role in dropping the design of this museum?

Answer. The Commission played no role in the Holocaust Council's decision to drop their original design.

Question. Has the Commission reviewed any preliminary designs of the new museum?

Answer. No; the revised plans will be presented to the Commission at its meeting on May 21, 1987.

Question. Last year the Commission denied a request by the Park Service for approval of a design for comfort stations and food facilities in the vicinity of the Washington Monument.

In your opening statement, Mr. Brown, I note that the Commission was shown preliminary plans for the new visitors' facilities on the Monument grounds.

What was the substance of your comments on this new proposal?

Answer. The new visitors center was big (over 200 feet long) and was situated prominently in one's view when driving south on 15th Street or west on Madison Drive, both important and heavily used approaches to the Washington Monument grounds. The Commission thought it should be less conspicuous.

Question. What was the response of the Park Service to your comments?

Answer. The Park Service has withdrawn the project for reconsideration of design and site.

Question. Legislation has been enacted to greatly restrict memorial construction in the central core of Washington. What is the new criteria for locating a momument in the core of the city?

Answer. The principal criterion as stated in the public law is that the subject of a commemorative work in area I, that is the monumental core, be of preeminent historical and lasting significance to the Nation.

Question. Please provide an update on the PortAmerica project. What have you done to influence items outside your jurisdiction? The PortAmerica and the Tech Center project are two examples. Why do you get involved and how involved do you get?

Answer. The developer of the PortAmerica project is in the process of revising his plans. Instead of a 52-story tower, it is understood the revised plan would propose 28- to 30-story towers. Also there are other changes to the site plan, such as not filling in the cove as much as originally planned. The Commission only becomes involved in commenting on projects outside the geographical area of its jurisdiction when specifically asked to do so by Congress or other agencies. The Commission was strongly opposed to the initial plans for the 52-story PortAmerica tower and was delighted that

the Senate Subcommittee on the District of Columbia asked for its view. The Commission is now acting in the capacity as a participating agency in developing an environmental assessment of PortAmerica, in response to a request from the National Capital Planning Commission, which the EPA has designated the lead agency in this matter. We reviewed Techworld when asked to do so by the District Zoning Commission.

Question. What was the Commission's involvement in the renovation of Key Bridge and the proposed changes to the Whitehurst Freeway? Please update the subcommittee on this.

Answer. The Commission reviewed the changes to Key Bridge and approved them. The work was recently finished and has received good notices in the local press.

The D.C. Government has not yet submitted final plans for the renovation to the Whitehurst Freeway, but when they do, I will be happy to send you the Commission's comments.

Question. As one approaches the Capitol at a distance from South Capitol Street, the vista of the Capitol is broken by the elevated highway called the Southwest Freeway. Was the Commission of Fine Arts involved in the decision to construct this elevated highway, which detracts from the view of the Capitol? Please comment.

Answer. In the 1950's and early 1960's the Commission consistently opposed all portions of the so-called inner loop freeway system of which the bridges over South Capitol Street are a part. We concur they have had a devastating effect on the views along South Capitol Street.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

STATEMENT OF HENRY BERLINER, JR., CHAIRMAN

ACCOMPANIED BY:

M.J. BRODIE, EXECUTIVE DIRECTOR
ALEXANDER K. MILIN, FINANCIAL DIRECTOR

PREPARED STATEMENT

Senator REID. We now turn to the Pennsylvania Avenue Development Corporation. The Pennsylvania Avenue Development Corporation was established in 1972 to develop and implement a plan for the rejuvenation of the area between the White House and the Capitol. The fiscal year 1988 budget request for the Pennsylvania Development Corporation totals $5,531,000, which represents a decrease of $790,000, a 20-percent decrease from the fiscal year 1987 enacted level.

Mr. Berliner, we welcome you to the committee. Your complete opening statement will appear in the record at this point.

[The statement follows:]

STATEMENT OF HENRY A. BERLINER, JR.

Good afternoon, Mr. Chairman, and members of the subcommittee. I am Henry A. Berliner, Jr., Chairman of the Pennsylvania Avenue Development Corporation [PADC]. I am pleased to be here today to highlight the Corporation's fiscal year 1988 budget request and respond to your questions about it. I am accompanied by PADC's Executive Director, M.J. Brodie, and financial manager, Alexander K. Milin.

The Corporation requests an overall amount of $5,531,000 for fiscal year 1988. The request is less, by 12 percent, than the amount appropriated for PADC's operations in fiscal year 1987. The fiscal year 1988 budget consists of $3 million for public development activities and $2,531,000 for salaries and expenses.

The $3 million public development component of the overall fiscal year 1988 request differs from budget requests of recent years in two respects: one, new public improvements projects are not proposed for funding and two, funding for historic preservation activities and business relocation payments are included.

As I have indicated in prior appearances before the subcommittee, the public improvements program is approaching its successful conclusion, so that the parks, sidewalks, and lighting projects contemplated at the inception of the overall program are either completed or well underway at this time.

An amount of $1.2 million is nonetheless needed, and requested, for public improvements in order that the construction management and engineering contracts vital to the orderly and economic completion of these funded projects be continued. The $1.4 million request for historic preservation represents the first such request since fiscal year 1981; from 1981–86, PADC utilized appropriations from fiscal year 1981 and prior years for historic preservation without the need to request additional funding. Remaining funds available for continued sponsorship of necessary historic preservation projects already planned is now inadequate. For example, the preservation of structures on squares 431, 458, and 406 is needed.

The final component of the public development budget is the $400,000 requested for the payment of statutorily required benefits to businesses displaced by Federal purchases of real estate. As is the case with historic preservation funding, relocation funds have not been requested by PADC since fiscal year 1981, but are now needed to enable anticipated land acquisition to occur in fiscal year 1988, since acquisitions cannot occur without sufficient funds for providing relocation benefits to displaced businesses.

The Corporation's salaries and expenses request of $2,531,000 provides for a staff of 34 employees, 2 less than the employee ceiling for fiscal year 1987. Two-thirds of the requested amount will fund the payroll costs of these staff members, while the balance is needed for supplies, printing, materials, and the normal items needed for administration of the office.

Fortunately, revenues and borrowing authority carried over from prior years are available for any necessary acquisition of real estate in fiscal year 1987 and fiscal year 1988, so that additional borrowing authority is not requested from the U.S. Treasury.

The Corporation's range and volume of work will be as extensive in fiscal year 1988 as in recent years, encompassing public improvements, historic preservation, land acquisition, and the oversight of square development. In the public improvements area, PADC will be supervising continuing construction of the park at Market Square, Indiana Plaza, reconstruction of the Indiana Avenue roadway, the installation of pedestrian lights on both sidewalks of Pennsylvania Avenue, and the rebuilding of sidewalks to the north of the avenue simultaneous with the completion of adjacent development projects. Some land acquisition by PADC will be needed as developers require assistance to assemble sites that will be developed with the commercial and residential uses required by "The Pennsylvania Avenue Plan." Even where land acquisition by the Corporation proves not to be necessary, the staff and Board of Directors will be working closely with developers and architects, reviewing every phase of development plans to ensure that not only are the required land uses achieved, but that the preservation of worthy historical buildings are included and that the total architectural design is of the highest quality. Projects for which developers have already been selected, such as the Market Square project on squares 408 and 432, or will have been selected by fiscal year 1988, such as the Lansburgh's commercial/residential project on square 431, will also require the commitment of oversight supervision to ensure that development complies with the guidelines for the project's approval by the PADC Board of Directors. With 421 residential units approved thus far, and at least 225 more planned for the Lansburgh's site on square 431, the Corporation is just past the halfway point in achieving the minimum 1,200 residential unit community that the plan establishes as a principal objective and 40 percent of my personal commitment to 1,500 residential units.

The Corporation remains on schedule for accomplishing the stated objectives of "The Pennsylvania Avenue Plan" by the end of fiscal 1992. The appearance of Pennsylvania Avenue has improved dramatically since the spring of 1977, when the impetus for development began with the subcommittee's initial approval of implementation funds for the program. New buildings have been developed; existing structures, like the National Theatre and the Willard Hotel, have been restored; and the parks and plazas have been developed in which numerous activities take place.

But much work remains, especially in the eastern project area. A particular challenge facing the Corporation here is the evolution, through creative private-public partnerships, of the balance of residential, commercial, and arts uses called for by the plan. With the subcommittee's continued support of the Corporation's fiscal year 1988 request for $5,531,000 and those of future years, PADC can meet this challenge and accomplish its mission of revitalizing the Nation's "Main Street."

INTRODUCTION OF ASSOCIATES

Senator REID. If you would summarize it, I would appreciate it. I would also say, "Hello. I have not seen you in a few years, and we graduated the same year at George Washington."

Mr. BERLINER. I was well aware, and I followed your career with great interest, both in the House and in the Senate and in the State of Nevada.

Senator REID. Thank you. It is sure good to see you.

Would you summarize the testimony at this time.

Mr. BERLINER. Yes; it is a pleasure to be here.

I have with me the Executive Director of the Pennsylvania Avenue Development Corporation, Jay Brodie and Al Milin, our Financial Manager.

You have indicated that you have incorporated our statement, and I think that we are prepared to go to the questions.

Senator REID. Thank you. I would be remiss if I did not congratulate you on what appears to me to be accomplishments along the avenue. It should be noted that the Pennsylvania Avenue Development Corporation has generated over $1 billion in private investment in an area that was severely deteriorated 15 years ago. This is a noteworthy achievement.

SALARIES AND EXPENSES

In fiscal year 1988, you are requesting approximately $2.5 million for salaries and expenses. Of this amount, about $1.3 million will fund the direct payroll costs of 33 full-time employees. This is a $28,000 increase over 1987, when you were funded for a staff level of some 36.

How much of this increase is requested for funding of the mandatory 3-percent increase in fiscal year 1988?

Mr. BERLINER. About $30,000.

Senator REID. You are requesting a $101,000 increase for civilian personnel benefits. Is this entirely for the cost of the new Federal Employees' Retirement System?

Mr. BERLINER. Yes, sir, it is.

Senator REID. You have requested $2,583,000 for salaries and expenses from OMB for fiscal 1988. Of this amount, OMB approved a funding level of $2,531,000, a reduction of some $52,000, which may not sound like much, but when you have a small budget like that, that is a significant amount of money. Were you originally planning to hire more staff or what was this money to do?

Mr. BERLINER. The original proposal, as presented to OMB, was for two additional employees. So the original staffing request was for 36, but we believe that we can accomplish our mission with the 34 employees.

HISTORIC PRESERVATION

Senator REID. Last year it was stated here that you were going to hire a historic preservation and development architect; however, sequestration of $100,000 precluded you from filling this position as well as two other positions.

In light of your renewed efforts in historic preservation activities in 1988, will you be filling this position in the future?

Mr. BERLINER. Mr. Chairman, we are pleased to report that we have filled the position as of 2 weeks ago, and we are very excited about the architect whom we have taken on board, Cathy Berlow, and we believe that she will lend a significant qualitative effort to the historic preservation.

I have with me for the committee's use some of the interior shots of the Willard Hotel, which we consider, it is in our formal statement, our most significant achievement in 1986. We would be glad to make these available to the committee and get them back at your pleasure.

Senator REID. We will look at those. Are those ours, or do you want them back?

Mr. BERLINER. We would like to have them back, but Mr. Chairman, I think they are yours for indefinite loan.

PROPOSED DEVELOPMENT FUNDING

Senator REID. You requested $4,150,000 for public development in your budget to the Office of Management and Budget. Your request to Congress is for $3 million. For what project or projects was this additional $1,150,000 to be used?

Mr. BERLINER. The components of that were—the great bulk of it was for the FBI sidewalk replacement to make it consistent with the other sidewalk, as well as the plantings and the lighting along the avenue. The remainder was for the replacement or repair of public improvements during the course of the year, and there were two smaller items of $100,000 each, one for historic preservation and the other for relocation of businesses that are replaced as a result of our development projects.

FUTURE FUNDING OF THE PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

Senator REID. I would like to briefly touch, if I could, on the future of this organization. Your authorization expires in 1992. Since 1974, you have sought to carefully execute the objectives of the Pennsylvania Avenue plan for the project area. In recent years, our efforts to balance the budgets of small agencies have endured severe cuts, including a sequestration in fiscal year 1986. What impact will these reductions have on your ability to fulfill the goals of the project by 1992? Will you be unable to complete the revitalization of the entire area within the next 5 fiscal years, or will the quality of the project suffer, or will you somehow succeed in accomplishing the goals described in the original plan within these budgetary restrictions.

Mr. BERLINER. I think any time an agency such as ours, a small one, as you recognize, is given less money than it asks for and has a responsible history of not asking for more than it needs, it runs a risk of diluting its mission or its ability to complete it. The short answer to your question is, we will still be able to complete our mission. It will take longer. The quality will not be probably quite as good, because it will be stretched out over a longer period of time. In the long run, I think it will cost the U.S. Government and the taxpayer more money, but based

upon Federal budgetary constraints, I certainly cannot say that we cannot perform our mission. We can.

The answer is, it will cost more money. It will drag out the program, but we can live within the constraints imposed.

LANSBURGH'S COMPETITION

Senator REID. At this time, a competition for the renovation of the Lansburgh Department Store is being conducted by the Corporation. There are six that, at least as I understand it, development proposals which have been submitted to the Corporation for consideration. And I also understand that six proposals is considered a good turnout, in terms of the Corporation's strict requirement which, in this case, refers to the inclusion in the design of at least 225 housing units. I understand that you will offer financial incentive awards to the selected design that includes these housing units.

In short, what is this award system? Would you describe that?

Mr. BERLINER. On the development compensation, we published a very elaborate request for proposals. This is worked up on the financial side as well as on the use of the project and architectural considerations. The competition is widely advertised throughout the United States in broad interest journals. I think in the last competition, we had over 200 developers take out the prospectus which cost $50 itself, and then we had a number of them confer with us during the process. We could not know until the last day exactly how many would be coming in with a bid or proposal. As it turned out, six highly competent developer teams from all over the country, some with foreign interests, have made a proposal, and although, as you pointed out, the minimum requirement was for 225 housing units, all of them exceeded the housing unit requirement, and one was as high as 370 housing units.

So we have found, in general, that the developer community has responded, not only to the minimum which we have set in the competition, but far exceeded those minimums, and we are very optimistic about the Lansburgh proposal.

Senator REID. According to the award system, a bonus could amount to over $8 million. The Corporation has an outstanding deficit. Give me your justification for the giveaway, for lack of a better word, and will the profits from the contract be enough to cover that or part of it?

Mr. BERLINER. The rebate program was really designed when Congress approved the Pennsylvania plan and more recently the eastern sector commitments. Under that plan, it was mandated that we provide 1,200 housing units, residential housing units in this sector. Now the proposal to allow a writedown of the land costs is from the developer's point of view simply a reflection of the market restriction on their use of the land. The highest and best use for land on Pennsylvania Avenue is for office space, with retail on the first floor. So if we did not want museums, art, boutiques, if we did not want residential housing, if we only wanted to maximize our economic investment, we would not have housing, we would not have art galleries. We certainly would not have

the National Gallery, would not have the Canadian Chancery—we would have office buildings.

But the Congress, in its wisdom, has seen fit to mandate that we have housing as one of the components of quality life along the avenue.

The developers are in the business to make a profit and, therefore, if they know the land cannot be used for office, they cannot pay office prices for the land. So we offered an incentive of $75,000 per unit to induce the developers to make us a proposal with a minimum number of housing units. And as I say again, every one of the six developers took the full rebate, but added more housing units than the rebate would have entitled them to. So I think they took our gesture and carried it one step further, in an effort to win the competition by providing additional housing.

Now as to the recapture. If the housing is successful, the Corporation has the opportunity to share in the stream of revenues. We fully expect that we will recapture the entire $10 million of costs which we presently have. In fact, when we go to settlement, we will get the $10 million, and it is only when the building is completed that the rebate is given to the developer and after that we will share in the stream of revenues.

So we expect to recapture the moneys, and we are fulfilling Congress' mission.

GREAT PLAZA SITE

Senator REID. Although this is beyond the scope of your jurisdiction, I understand that you have become involved in the development of the parking lot next to the District Building as a future site for Federal office space; is that right?

Mr. BERLINER. Yes, Mr. Chairman; we have felt, as we look down the avenue, that there is a missing tooth in this smile on Pennsylvania Avenue, represented by the space next to the District Building that is occupied by automobiles, and we feel more appropriate use would be the one which GSA has had in its file cabinet since 1982, which is the construction of a Federal plaza building. Many branches of Government, particularly the Justice Department and Treasury are spread out all over the District of Columbia and in the suburbs. There is certainly plenty of use which can be made of the building, and there is a proposal for office and retail space as well, retail from the private sector, that there would be parking underneath to replace the parking which would be displaced through the removal of this parking lot. We think it is a natural completion for the south side of Pennsylvania Avenue to complete the Federal Triangle.

We vigorously support it. We stand ready, at no cost to the Federal Government, to aid GSA in administering a competition or in whatever disposition they seek to go forward in developing the property.

Senator REID. What about the parking shortage. Won't this further aggravate that?

Mr. BERLINER. There would be below ground parking that would be more than sufficient to replace the spaces that are presently allocated for surface parking.

RELOCATION

Senator REID. The request in the budget includes some $400,000 for relocation of businesses which will be displaced by the Corporation, as the result of its land acquisition and development activity in 1988.

Do you have an idea at this time as to how many businesses you will need to compensate?

Mr. BERLINER. We don't, Mr. Chairman. We put in money which we believe is a reasonable estimate of many dollars and how many—but we cannot predict as to how many businesses it will involve, because a lot will depend on the successful developer who comes in and what kind of amenities he is offering the people who may wish to stay as opposed to relocate permanently. But we feel that the request for $400,000 is modest and perhaps even a little short of what we think may actually be needed, but it is the one which OMB has acceded to as less than we asked for.

LAND ACQUISITION

Senator REID. The land acquisition and development fund is a revolving fund that allows the Corporation to assemble real estate for development by respective developers. The Corporation may borrow from the U.S. Treasury for this activity.

Do you have an idea of what the debt is at this time owed to the Treasury?

Mr. BERLINER. I am advised that we have $52 million in loans outstanding and $35 million in interest accrued. So the total is $87 million.

Senator REID. During last year's hearing, Senator McClure asked that you provide a list of—a list outlining what remains to be accomplished in the next 5 years for the Corporation. According to this list, you foresee several million dollars of land yet to be acquired. Is that right?

Mr. BERLINER. Yes; that is correct.

Senator REID. Can you elaborate on the remaining sites within your project area which may require purchase within the next 5 years or supply it in writing.

Mr. BERLINER. There are not that many. The squares that are concerned are 4, 406, 407, 431, and 457. In order to complete the total, it would require at least $5 million more than the currently available $23.7 million in borrowing authority. I think next year at this time, we will know a little bit more exact figure, which we can give to you and to the committee.

TRANSFER OF RESPONSIBILITIES

Senator REID. When your authorization expires in 1992, some of your responsibilities will be ongoing, such as collection of rental leasing receipts. Are you in the process of developing proposals for the transfer of authority, and if so, could you give us an outline of what they might be?

Mr. BERLINER. We have discussed with OMB the potential agencies

which could take over our mission. These include the National Park Service, GSA, Treasury, the District of Columbia government for certain road maintenance functions, but I believe neither the Congress or OMB have come to grips with what needs to be faced, which is how the wish to have the investment that the taxpayers have put into Pennsylvania Avenue is supervised over the remaining years. We have lease agreements which will extend well into the 21st century, and there will need to be an oversight supervision, not only of the leases but of the use of the land to make sure that it is maintained in the way that the Congress intended.

So Mr. Chairman, we have made certain recommendations, but no formal plan has been adopted. I think it is an appropriate subject for legislation.

GENERAL ACCOUNTING OFFICE LETTER

Senator REID. The committee received a letter in the fall of last year from the Associate Director of the General Accounting Office regarding the audit that the GAO conducted of the Corporation's financial statements for 1985. There were no serious weaknesses or violations. I would still like to ask some questions based on their findings.

The GAO found that the commercial bank accounts were not being handled appropriately and, in fact, one such account, worth over $200,000 was not included in the financial statements.

Has there been corrective action taken in this regard to make sure that next time that they look at this, this will all be resolved?

Mr. BERLINER. Yes, Mr. Chairman; the $200,000 should not have been included in our financial statements. The money did not belong to us. They were depositor funds from developers. They were deposits from developers. They were placed into the wrong account. We recognize it, in fact, helped to call it to their attention. It has been corrected, and it will not happen again.

ADDITIONAL COMMITTEE QUESTIONS

Senator REID. I have no other questions. I do want to compliment you for the public service that you render and the time that you spend on this. I think that it is commendable. I had staff bring me a copy of your résumé to make sure that you were the right Henry Berliner, and I can see over the years since we graduated from law school, that you have been involved in many charitable and civic activities, for which I compliment you.

Mr. BERLINER. Thank you. It is always a pleasure to be before you, and I hope I will have the opportunity many times again. I am sure I will.

Senator REID. Thank you very much.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

Question: Last year $900,000 was added for the Indiana Plaza/roadway project so that it could be completed by the end of FY 1987. Please provide the Committee with a brief progress report on the Indiana Plaza/roadway project.

Answer: The contract for Indiana Avenue was issued in late fiscal 1986. The principal plaza area adjacent to the Sears Building will be the site of the refurbished Grand Army of the Republic Monument and Cogswell/Temperance Fountain. Both are nearing completion of the repair and refurbishment process.

These monuments and the plaza area on which they are sited will be completed in FY 1987.

Thanks to Congress's support, the Indiana roadway project was refunded in the FY 1987 appropriation. The contract is now expected to be signed in the near future with completion by the end of 1987 or early 1988.

Question: In your justification you state that $1.2 million requested for public improvements for FY 1988 "will permit PADC to engage the services of construction management, civil engineering and similar, general assistance contracts."

Please provide the Committee with a more specific breakdown and description of the contracting services that you are referring to in this request.

Answer: PADC needs construction management help for inspection of contractors in the field to verify that work performed is consistent with working drawings and material specifications and, in general, control of the quality of the project. A civil engineering contractor is needed to modify the drawings when in-field conditions prevent the construction of a project's phase as originally envisioned, and to estimate the cost of such a change to assist PADC in its negotiatons with its construction contractors.

Additionally, $100,000 of this amount is requested to fund arts and cultural activities in the Avenue's parks and plazas.

Question: $1.4 million is requested for historic preservation in FY 1988. On page 14 of the justification you describe these properties as being located in Squares 431, 458, and 406. Please identify these buildings.

Answer: The buildings are, by, square:

431 - PEPCO (former substation) on 8th Street
Union Hardware on D Street
458 - Litwin's, Dutch Mill Restaurant, Artifactory,and Fireman's Insurance Building, on Indiana Avenue
406 - Entire 800 Block of F Street, between 8th and 9th Streets, including the LeDroit and Atlas Buildings.

Question: You indicate that the buildings on Square 406 located on the 800 block of F Street are listed in the Register of Historic Places, thereby justifying their desirability as restoration projects.

How do the other structures qualify as "historic preservation" projects? The Pennsylvania Avenue Development Plan states that you will seek to "maintain" a sense of historic continuity and evolution by preserving buildings representative of different eras and styles."

Do these buildings fall under this category?

Answer: Yes they do. The inclusion of the properties on Squares 458 and 431 in PADC's preservation plan is consistent with the Plan's referenced objective. The inclusion of these and other non-Register properties was based not only on PADC's analysis but also on the judgement of external groups and individuals. PADC has had considerable community and consultant input into the selection of buildings to be preserved, both while the Plan was being written and during a major review occurring in 1981. The buildings and facades we've selected for preservation are those which we believe are worth saving because of the architecture and materials used, historic association, or their representation of a particular era of construction. The buildings selected are 19th century and early 20th century structures.

Question: In the past, public development appropriation requests seem to go hand-in-hand with land acquisition.

Will this be the case during the last few years of this project when we would anticipate that this kind of activity should be winding down?

Answer: For the balance of the PADC program, there will be a need for additional funding for both public development purposes and land acquisition. However, since the public improvements program is largely complete, there will be a diminishing need for public

development appropriations. The need for land acquisition funds may well increase, on the other hand, if PADC is called upon to acquire a significant amount of real estate. Therefore, we expect public development fund requests to decline in the FY 1989-FY1992 period, while the land acquisition fund requests may rise.

Question: How much is currently available in your Gifts and Donations Fund? How much has been contributed in FY 1987? How much has been contributed in total, since 1972? Are these funds usually donated for specific projects, or what are they used for?

Answer: Currently, PADC has approximately $20,000 in unobligated funds in its Gift account. In FY 1987 alone, $350,000 has been contributed. In total, PADC has received approximately $2.5 million in cash donations, although another $1.4 million in letters of credit pledging future donations are in the Corporation's possession.

Donations are always earmarked by their donors for specific uses; predominantly, these uses have been the design and construction of memorials in PADC parks.

Question: The Corporation's landholdings generate receipts from rentals and leasing agreements.

What will the total receipts be for rent and leasing in 1988?

Are the receipts from rental income placed in the land acquisition account?

Answer: The Corporation expects to receive $3-$4 million in rental income in FY 1988. Additionally, it expects to receive cash from the sale of the Lansburgh's property, which is currently being sought after by prospective developers. Potentially, the Lansburgh's property could be sold for $10 million, producing a total sale and rental income figure of $13-14 million for FY 1988.

QUESTION SUBMITTED BY SENATOR JAMES A. MCCLURE

Question: The Public Development side of your budget was broken into three separate programs (Public Improvements, Historic Preservation, and Relocation) and reduced by almost $1 million in FY 1988.

Please describe the three programs, focusing specificially on the funding reduction from FY 1987 for each.

Answer: The public improvements element of the Public Development request addresses the need to provide continuing contractual support for the $95 million public improvements program, which has and is continuing to bring new parks, plazas, sidewalks, lighting, landscaping and roadways into existence in the project area. Since all major or public improvement projects have been funded already, there is a reduction of $2.7 million in the amount requested for FY 1988 when compared to the FY 1987 appropriation. In FY 1988, PADC will need funds only for the continuation of construction management, civil engineering, and related support contracts that the small public improvement staff of PADC needs to manage ongoing construction activity, which has been funded in the FY 1987 and prior year appropriation acts.

This historic presevation fund request of $1,400,000 would provide funds necessary to assist developers with the otherwise prohibitive cost of restoring noteworthy 19th century and early 20th century buildings and facades. The Corporation's master plan, The Pennsylvania Avenue Plan, requires that selected older structures or their facades be preserved, so that redevelopment in the project area does not ignore, by replacing, an element of the history of Pennsylvania Avenue. The Corporation has been careful in utilizing its historic preservation funds from FY 1981 and prior year appropriations, but it now realizes that remaining reserves will be depleted by FY 1988's planned restoration activity on various squares in the project area. In order for other preservation projects to move forward--and not be unnecessarily delayed, to the detriment of the development schedule--PADC must have the $1.4 million it now requests for FY 1988.

PADC requests relocation funds of $400,000 for FY 1988. The relocation activity consists of displacing businesses from sites that the Corporation purchases in order that new development or restoration can occur. In order to alievate the the understandable burdens faced by such businesses who must find new places in which to conduct their business, Federal statute requires that Federal agencies pay certain relocation costs to these businesses. The Corporation's available relocation funds will be depleted by the beginning of FY 1988. In order to proceed with planned land acquisition in FY 1988, the requested $400,000 will be needed. This requested amount represents the first such request for relocation funds since FY 1981.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

STATEMENT OF CYNTHIA GRASSBY BAKER, CHAIRMAN
ACCOMPANIED BY JOHN M. FOWLER, ACTING EXECUTIVE DIRECTOR

PREPARED STATEMENT

Senator REID. We will now turn to the fiscal budget estimate for the Advisory Council on Historic Preservation. The witness for the Advisory Council on Historic Preservation is the Chairman, Cynthia Grassby Baker.

Accompanying her is John M. Fowler, Acting Executive Director.

This was established by the Preservation Act of 1966. They advise the Congress and the President on conservation matters and the impact of the projects on historic properties.

They are asking for an increase of $201,000, or a 13-percent increase over fiscal 1987 appropriations to date, for a total of $1,734,000.

Your complete statement will be inserted in the record, and I would appreciate it if you would introduce your colleagues and summarize your statement, please.

[The statement follows:]

STATEMENT OF CYNTHIA GRASSBY BAKER

Mr. Chairman and members of the committee, I am Cynthia Grassby Baker, Chairman of the Advisory Council on Historic Preservation. It is a pleasure to present our program and appropriations request for fiscal year 1988. The Council values the support this committee has provided over the years.

The Council is an independent Federal agency created by the National Historic Preservation Act of 1966. The Council is composed of 19 members, including heads of Federal departments, representatives of State and local government and the preservation community, and non-Federal members appointed by the President. Our fiscal year 1987 appropriation is $1.533 million and 31 full-time equivalents [FTE]; our requested level for fiscal year 1988 is $1.734 million and 33 FTE. We have two principal duties: to advise the President and the Congress on matters concerning the National Historic Preservation Program and to oversee the process established under section 106 to protect historic properties from needless harm by Federal activities.

Under section 106, we review nearly 1,500 projects each year ranging from the construction of reservoirs and highways to the rehabilitation of historic buildings and the issuance of Federal permits. Between 600 and 700 of these projects involve consultation to deal with the effects on historic properties, with particular attention to mitigating adverse impacts. This process saves thousands of historic properties each year. It also saves the Government money for two reasons. First, because we reach a firm and definitive agreement with the Federal project agency as to treatment of historic properties, there is a clear record of that agency's compliance with the law, and successful legal challenges, halting or delaying worthwhile projects, are almost impossible. Second, our review often results in the selection of an alternative for the protection of an historic property that costs less than the approach originally proposed by the agency.

During fiscal year 1986 the Council completed major improvements in the section 106 regulatory process. Section 106 is the major activity of the Council's work. In fiscal year 1983, operational adjustments within the Council's control were implemented and fiscal year 1984 witnessed significant improvements in the efficiency of the review of Federal undertakings that affect historic properties. A major overhaul of the section 106 regulations, which began in 1981, was completed when the Council unanimously adopted revised regulations at our July meeting. Final regulations became effective on October 1, 1986, and we are beginning to see improvements in the flow of casework.

The objectives of the new regulations are to provide a more flexible review process for Federal agencies and shorter review times while maintaining the previous level of protection to historic properties. Specific deadline dates are defined throughout the process and expanded opportunities for participation by the public in the process are included. Our experience since the beginning of the fiscal year indicates we will achieve these objectives as the system becomes more familiar to the users.

Our new regulations have been the occasion for a strengthened emphasis in training with those individuals involved in the section 106 process. The Council's 2 day training course, "Introduction to Federal Projects and Historic Preservation Law," has prepared many officials to address the section 106 review process efficiently and effectively. Since its inception in 1981, the course has been offered over 60 times and has trained more than 360 Federal, State, and local officials. For 1987, the course has been extensively revised to reflect regulatory changes. Special training sessions for State historic preservation officers [SHPO] were held in late 1986 to acquaint them with regulatory changes. The SHPO's are one of our principal partners in section 106 reviews. Their active and informed participation permits the system to function as successfully as it does. The new regulations highlight the role of the SHPO in the preservation review process.

The results of the training have been apparent in subsequent section 106 case consultation: trainees are better equipped to meet preservation responsibilities under Federal law, and can complete the section 106 process more efficiently. We are continuing our emphasis on education for fiscal year 1988 by seeking additional funds for training coordination and delivery of training services.

An important Council activity in the past few years has been our effort to help Federal agencies develop internal systems to deal efficiently with preservation requirements. We have emphasized programmatic consultation with agencies to harmonize the conduct of their principal missions with the policies of the National Historic Preservation Act.

The Council uses several mechanisms to attain this goal. Most useful is the Programmatic Agreement, in which the Council, one or more State historic preservation officers, and a Federal agency agree on a program for treating historic properties in connection with some large or complex Federal activity. This agreement supersedes application of the regulations to specific cases and is tailored to the needs of the agency, the particular activities, and the property types in question. The Programmatic Agreement reduces paperwork, speeds up the timeframes for agency reviews of their undertakings and cuts back on the number of steps required in the consultation process. Additionally, the Council has provided supplementary advice to Federal agencies on appropriate, efficient, and workable ways to deal with the section 106 process. An example of this is guidance on the treatment of archeological properties.

We have found that the resources invested in programmatic and training efforts reap significant dividends over the long term for both the Council and Federal program agencies. Developing internal preservation systems and capabilities is the key in the long run to sensitive consideration of historic preservation values by Federal agencies. With proper guidance, education, and tailored procedures, agencies solve their own problems with less need for recourse to the Council.

Also important is the Council's statutory duty to make recommendations on policy matters affecting historic preservation. We have shared the results of our important studies with this committee in the past, such as our special report in 1985 on Federal historic preservation case law. In 1986, the Council provided an assessment of 20 years of achievement under the National Historic Preservation Act [NHPA] to the President and the Congress.

This overview of the NHPA will be the basis for our 1986 annual report to the President and Congress now in preparation. The report will highlight the program's successes and identify areas that present challenges and opportunities in the future. Through such reports, the Council will make every effort to contribute to the legislative work of this committee and complement related studies and recommendations being prepared by the Department of the Interior and the National Conference of State Historic Preservation Officers.

Our modest increase for fiscal year 1988 will permit the Council to more actively pursue its goals of improving the sensitivity of the Federal Government to historic preservation needs. It will also support more involvement by the Council membership in shaping and carrying out Council programs. With more efficient section 106 regulations now in place, we look forward to a more active leadership role as well as advisory role in the National Historic Preservation Program. We have a deep respect for the National Historic Preservation Act that Congress enacted in 1966 to advance historic preservation in our Nation. We will continue to do our part to carry out the act's purposes.

SUMMARY STATEMENT

Ms. BAKER. Thank you very much, Mr. Chairman.

John Fowler, to my left, is Acting Executive Director of the Council. He has been with the Council for some 13 years.

In addition, what I would like to do is congratulate you on your election to the Senate, and also I would like to say that it is a privilege for me and for John Fowler to testify before your committee.

I also take great pride in presenting and supporting the President's budget request at $1,734,000, with 33 full-time equivalents.

I think the Advisory Council has practiced good government. We have been very responsive in delivering the services envisioned in our legislative mandate.

I would like to focus on some of the specifics of our budget request, and then I would like to recount our accomplishments in the last year.

Our budget request of $1,734,000 includes two additional full-time equivalents. The new positions will be a training coordinator at a GS–9 level, which, in effect, replaces a GS level 14 who retired last year, and we have several part-time employees that we would like to expand, or evaluate into one full-time positions.

So that comprises our two full-time equivalents.

Also, we are asking for funds to cover a rent increase, as the General Services Administration raised our rent by 16 percent over last year, which is $27,000. This is not an expansion of square footage, but it is clearly a base adjustment and one that the General Services Administration controls.

In addition, we are requesting increases for member involvement in terms of compensation, they receive per diem, and in their travel.

I have seen a real interest by the Council members in participating in Council activities and in developing policy, as they should be, and we would like to encourage that.

We are also asking for some increases in training so that we can carry out our new regulations and provide education to those people who have questions about the new regulations.

Last, we received from the Office of Management and Budget a $100,000 allowance, and that included $30,000 for the recent pay increase and $70,000 for the new Federal Employees' Retirement System. Clearly, that retirement fund, if it is not used, will be returned to the Treasury.

Therefore, it is an estimate, and we have been asked by OMB to include it in our budget.

ADVISORY COUNCIL ON HISTORIC PRESERVATION ACCOMPLISHMENTS

Going from budget figures to some of our activities, I would like to share with the chairman and the committee some of the accomplishments we have made at the Advisory Council.

I think the Advisory Council has clearly carried out the purposes that Congress has intended through our enabling legislation of the National Historic Preservation Act.

In July 1986, the Advisory Council passed by unanimous vote, I am proud to say, our revised regulations, our section 106 regulations. These regulations govern the process of affording the Council an opportunity to comment on Federal undertakings that affect historic properties.

Within the 106 regulations there are several components which I would like to describe.

One is that we have been very adamant about having explicit deadlines in the process so that all parties involved understand the timeframes they will be responsible for and which govern the Councils' involvement with these people in the review of historic preservation projects.

In addition, there is a strong sensitivity to encouraging public participation in our process; and we have incorporated provisions into the regulations for that. In addition, we have encouraged programmatic agreements which reduce duplicative efforts throughout the Government involving large historic preservation programs by virtue of creating one agreement that will cover a number of complex projects.

Another piece of our regulations allows for States to provide and draw up their own agreements as to how they would evolve and participate in the 106 process.

Last, there has been a concerted effort to encourage flexibility and a good faith effort in carrying out the 106 process. In addition to the flexibility, we are looking at a streamlined process, and we are also looking at one in which we can balance the needs of historic preservation concerns.

Throughout this process the Advisory Council has received high marks for their improvements and refinements in the process. We continue, and certainly have not diminished in any way, the protection to historic properties throughout our Nation.

20 YEAR ASSESSMENT

In addition to that, the Advisory Council has completed an assessment of the last 20 years of the National Historic Preservation Act. This was a very complex process. A lot of people who are on the Council came to the table with very different and divergent views and were able to express those views in a way that we were able to present a 20-year assessment to Congress and to the President.

In addition, the Advisory Council also wants to carry out the intent of our act, that is to provide new opportunities in which we can advance historic preservation. We would like to do that through an awards program that we have been proposing to recognize excellence in preservation throughout the country.

EXECUTIVE DIRECTOR SEARCH

Last, I would like to comment on our process, which we are now undertaking to search for an Executive Director. This process began in February of last year as our Executive Director for 20 years, since the inception of the agency, retired. We have gone through a very thoughtful, mindful process, always in the back of our minds looking at the civil service laws and the procedures whereby they have been prescribed and we will follow.

I am proud to say that we have closed the announcement, which was open for a 45-day period rather than a 30-day period to give fairness to all candidates. There was a large community effort, nationwide effort in announcing this particular position. We closed that position announcement on February 25, and already I have appointed a rating and ranking panel which will then assemble those applications and make determinations on them. I hope that no later than May 1 we will have a candidate that we can present to the full Council and have an Executive Director who has the confidence of the entire membership and moves forward.

In this process I felt it was very important again to involve the members of the Council. It is one of the most important positions, we feel, in the preservation field.

I appointed a search committee. That search committee looked at a position description which had not been updated, since the gentleman who has been our executive for 20 years held that same position description. There was a lot of exchange, a lot of draftings that made very explicit what the position description actually was to perform and what the duties of the Executive Director are. I believe that the Council took a very hard look at this, a very careful one, and came to a consensus for a new position description.

Last, I would like to say that the state of the activity and change of the Council has been very mindful of the intent of the act. We have participated, I think, in the best possible way, and we have lived up to our full potential as a Federal agency, and I, therefore, submit our budget. I thank you for allowing me to makes these remarks.

BUDGET INCREASE

Senator REID. I appreciate very much your testimony. You have answered many of the questions that I had to ask you.

I would state just in passing I bet you do approve the budget that has been suggested and you have presented to us because we get budgets very rarely that call for an increase, as yours does, which is some 13 percent. So I bet you do approve it, as you should.

As I have told the other two people that led the testimony before, we really appreciate your time and efforts on behalf of a very worthwhile project, and I again compliment you on your statement because I had a long series of questions to ask and, with rare exceptions, you have answered all those questions.

Relative to the personnel, we had some questions about whether you were going to fill the Executive Director's spot, and you have explained that to us in detail, which we appreciate.

TRAVEL EXPENSES

The one thing you did not answer that I would like to ask is last year you were asked whether reductions in travel expenses were to be shared across the board by Council members or staff evenly, and rather than going into any detail here, it would be appreciated if you or staff would prepare an analysis of fiscal 1985, 1986, and 1987 and 1988 travel for the record, and if the analysis would include who, when, where, why, how long, all of that detail, that would be appreciated so that we can have that for next year.

Ms. BAKER. We would be happy to provide that, and I think we already have provided that and are ready to transmit that today.

Correct, John?

Mr. FOWLER. What we have is not quite in the detail that the Senator has asked for, but we will be happy to provide that. We can do that.

Senator REID. Great.

Mr. FOWLER. We will do that as soon as we can.

ASSISTANT FOR POLICY

Senator REID. Thank you.

Has the position of Assistant for Policy been abolished, or what has happened to that position?

Ms. BAKER. Yes, sir; that position has been abolished.

We felt that our executive staff has done a profound job, certainly an outstanding one, in preparing our budget documents and leading the administration and the agency. We felt where we really needed additional strength was in publicizing our new regulations. We really were looking at a person who could provide education to all of the parties who are involved in the 106 process.

That position has been abolished, the policy position, and we are proposing a training coordinator to coordinate education activities and provide related kinds of services. The policy functions would then be

divided with our Executive Director, our General Counsel, and certainly our administrative officer.

SECTION 106 PROCESS

Senator REID. Section 106 that you have spoken of briefly of the National Historic Preservation Act establishes a process, device by Congress to protect historic properties from adverse harm by Federal activities.

The section requires that Federal agencies review Federal projects or Federally assisted projects, take into account the impact of such projects on historic preservation.

A major overhaul of section 106 regulations has recently been concluded.

Do the new regulations require that Federal agencies have to take into account the impact of their actions on historical properties?

Ms. BAKER. Absolutely.

Senator REID. I believe I am accurate when I say that the Federal Highway Administration was a strong, if not the strongest critic of your prior section 106 regulations and was an active participant in the review process for the new regulations.

Do the new regulations satisfy the Federal Highway Administration?

It does not, or do you care?

Ms. BAKER. I do care, Mr. Chairman. As a matter of fact, at our most recent Council meeting I invited the Federal Highway Administrator after the regulations had been passed, Mr. Ray Barnhart, to come to the Council and to report his views on the new regulations and how he felt best that he could deal with them and if there were any improvements that we should make in working with him.

I would say on the whole his comments to the full Council were that these were improvements over the regulations that were in place before.

Senator REID. Good.

I appreciate again your testimony.

ADDITIONAL COMMITTEE QUESTIONS

We will have additional questions for the record, and we will submit those in writing after we meet with staff.

I appreciate your prompt response.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

Fiscal 1988 Budget Request

Question. May I start by asking you to explain the increases proposed in your 1988 budget? For example, in 1987, the Congress appropriated $1,533,000. Adjustments in the form of pay increases, retirement increases, and office space rental increases total $127,000, for a fiscal 1988 base of $1,660,000. The budget request is for $1,734,000, or a difference of $74,000 above the 1988 base. What will that increase be spent on?

Answer. We plan to use $43,000 in salaries and benefits for 2 FTEs, one of which will be a new position of training coordinator, and the other consists of expanding two part-time positions to full-time. We are allocating $18,000 for Council member salaries based on their increased participation in Council activities, primarily through task forces. Non-Federal Council members are paid $100 for each day they serve. The remaining $13,000 is for increased travel of Council members, commensurate with their more active involvement, and staff travel related to our training efforts.

Question. What is the total fiscal 1987 amount of your 3% pay increase?

Answer. Since it became effective in January 1987, the general pay raise will cost $24,000 in salaries and benefits for FY 1987.

Question. What is the fiscal 1988 cost of the 3% pay increase in fiscal 1987?

Answer. The FY 1988 pay costs will be $35,000 for the 12 month period.

Question. How much of the pay cost will be absorbed in fiscal 1987?

Answer. We must absorb the entire $24,000 out of our appropriation.

Question. Is all of the 1988 cost of the 1987 pay increase included in your request?

Answer. Yes, we were allowed to include the full amount in our FY 1988 budget.

Question. How much is the fiscal 1987 cost estimated to be for the new Federal Employee Retirement System (FERS)?

Answer. We estimated that the FERS costs would amount to $16,000 in FY 1987, and we must absorb that cost as well as the pay raise.

Question. How much will FERS cost in fiscal 1988? Is all of the 1988 FERS cost included in your request?

Answer. In FY 1988 FERS will cost $65,000 and is included the in our budget.

Question. Ms. Baker, how many Full Time Equivalent employees (FTE's) has the Council had each of the past 3 fiscal years (FY 85, 86, and 87)?

Answer. In 1985 we had 33 FTEs. In 1986 we had 31 and expect to employ the same number in 1987.

Question. An increase of 2 FTE's (from 31 to 33 FTEs) is proposed in fiscal 1988. What will those two additional FTE's be used for in fiscal 1988?

Answer. We plan to use 1 FTE as a training coordinator as we accelerate our training efforts. Also, we will be expanding two part-time positions into full-time so that combination will require one additional FTE. Those positions are in the Office of General Council and the Publications and Training Office.

Question. On page 13 of your justification, you state that "personnel adjustments taking effect in fiscal 1987 will result in net savings in salaries, benefits, and FTE's relating to ACHP staff." Could you detail some of those adjustments for us? Where do they show up in the budget tables or schedules?

Answer. Our justification stated that with the 1988 funding request, the Council Directions Unit could provide the same level of service as in past years. Some changes that we made in 1987 will carry forward into our 1988 operation. For example, we abolished the GS-14 position of Assistant for Policy, and did not replace a full-time GS-5 clerk/typist/messenger. Instead we plan to use those savings to hire a full-time GS-9 training coordinator, and to expand the work hours of the Associate General Counsel and Publications Director who had been work on a voluntary reduced work schedule. Also, we are

planning for an increase in Council Member participation in ACHP activity, both individually and in groups of task forces and panels. The members are eager to get more involved in ACHP operations and we welcome their assistance. In summary what we are doing is improving our Council Direction Unit. These management actions do not appear as changes in the budget tables or schedules because they are contained within the Council Directions Unit.

Question. The justification goes on to say that "Increased member involvement in ACHP activities will require additional resources to support member travel, assistance and per diem costs." Do you anticipate Council meetings other than quarterly ones?

Answer. We do not anticipate full Council meetings more frequently than once every three months. Where we expect an increase in meetings is in the area of Council task forces. These groups are created to deal with special topics, may include from three to seven Council members and have varying terms. Recent subjects addressed by Council task forces include revisions of our Section 106 regulations, management of our analysis of twenty years of activity under the National Historic Preservation Act and review of Council operations. We find this an efficient way to involve a large number of members in the Council's program activities.

Question. How much was actually spent on travel in fiscal '85 and '86? By whom? Is ACHP staff member travel increasing or is Council member travel increasing?

Answer. FY 1986 was an extremely unusual year because of the Gramm-Rudman sequestration. Other than personnel, travel is one of the few controllable elements of expense and as our chart will show we made reductions. It is also important to remember that the reductions had to be taken after January with only three-fourths of the year remaining. We instituted a policy of encouraging Federal agencies to provide travel expenses whenever our services were required on specific Section 106 cases . For the most part we used a reimbursable system, but in some cases the agencies covered the entire travel costs outside our accounting system.

The basic point is that there was a cut in travel which affected both members and the staff.

TRAVEL SUMMARY

	FY 1985 # of Trips	Cost	FY 1986 # of Trips	% change	Cost	$ change
Council members						
A. Chairman	14	$10,000	11	-21%	$ 9,616	$ -384
B. Member	50	28,000	28	-44%	14,055	-13,945
Sub	64	38,000	39	39%	23,671	-14,329
Staff						
A. Council Dir.	24	9,800	10	-58%	3,694	-6,106
B. OCRP						
1. Director	20	8,500	11	-45%	2,676	-5,824
2. EDPR	55	14,900	35	-36%	5,825	-9,075
3. WDPR	50	17,200	26	-48%	9,205	-7,995
Sub	149	50,400	82	-45%	21,400	-29,000
C. Reimbursable	--	--	21		8,553	+8,553
D. Agency funded	--	--	11		3,000	+3,000*
TOTAL	213	$88,400	153	-28%	$56,624	$-31,776

*Estimate; no entries in our accounting system

Salary Savings

Question. At last year's hearing, the then Executive Director, Mr. Robert Garvey announced his retirement. Has that position been filled yet? (No). Why not?

Answer. The position of Executive Director is extremely important to the Council and to the national program. It was one that had been held by only one person during the Council's lifetime. We have moved with care and deliberation in creating a search process that would surface the best candidates. That has taken time. I should also note that the members have been actively involved in fashioning the process. This has been very positive, but, unfortunately, the circulation of documents and responding to comments is time consuming. I am pleased to report that we did announce the vacancy on January 12, 1987. The announcement closed on February 27 and we are currently completing the remaining process.

Question. Do you have plans to fill that position in the near future? If that position was vacant the last 8 or 9 months of fiscal 1986 and if it has been vacant the first 5 or 6 months of fiscal 1987, what is the Council doing with that $70,000 or so in savings?

Answer. We hope to make the selection soon, possibly within the next 60 days.

As to the second part of the question, we realized practically no savings in FY 1986 because the former Executive Director had accumulated an unusually large amount of annual leave and was paid a lump-sum. Also the Gramm-Rudman sequestration amounted to a $68,000 budget cut, and we used a some lapsed funds to meet

those reductions. In 1987 the savings will be offset by unfunded requirements for the general pay raise-$24,000, and Federal Employees Retirement System - $16,000.

Question. The justification (p. 35) does not show any funds as being unobligated at the end of 1986 -- what did the Council do with the money?

Answer. 1986 was an extremely austere funding year for the Council because of the Gramm-Rudman sequestration of $68,000. Also, we had to pay the retiring Executive Director a lump sum annual leave of $30,000. We cut back our operations by delaying promotions, reducing travel to the minimum, and postponing equipment and supply requirements to avoid over obligation. We finished the year with an unobligated balance of under $100.00

Question. The justification further states (p. 13) that "Funding increases for personnel compensation and travel are for the chairman and the Members. Personnel levels and travel costs for staff are maintained essentially at their fiscal 1985 levels." Why are these increases limited to the chairman and the members of the Council?

Answer. First, the FY 1988 request does include an increase in staff positions and travel from reduced levels of FY 1986 and FY 1987. Our budget will allow a return to the FY 1985 level. Regarding the emphasis on members, we believe it is important for those who set in the policy-making position of Council members to be more actively involved in the Council's work between its quarterly meetings. The Congress intended that these people bring their special perspectives and expertise to our activities and I personally believe that intention is one of the keys to the Council's success since 1966. Because these people generally do not live in Washington, we must provide travel funds to permit their active participation. As a matter of fact 7 of our Council members live west of the Mississippi with 5 of them located on the West Coast, so their travel to Council and task force meetings is substantial.

Question. The pay increase of $35,000, included in your base adjustment, is for the staff, not Council members, isn't it?

Answer. That is correct. Council members are reimbursed at $100.00 per day. That rate was established in 1966 and has never been changed.

Question. You will recall that last year, you were asked whether reductions in travel expenses were to be shared across the board, by Council member and staff evenly. Would you prepare a complete analysis of fiscal 1985, 1986, 1987, and 1988 travel for the record? The analysis should include who, when, where, why, how long, etc.

Answer. (The information follows)

TRAVEL SUMMARY

1987 (Actual) 2/28/87

		Trips	Cost
1.	Council Member		
	A. Chairman	6	$5,973
	B. Members	14	$5,522
	Subtotal	20	$11,495
2.	Staff		
	A. Council Direction	2	$ 683
	B. OCRP	(45)	($11,946)
	1) Director	8	$2,276
	2) Eastern	22	$4,339
	3) Western	15	$5,431
	Subtotal	47	$12,629
	GRAND TOTAL	67	$24,124

1. CHAIRMAN

	Purpose	Date	Trips	Cost
A.	Full Council Meetings Denver/Washington	11/13-18/86	1	$1,225
B.	NTHP Annual Meeting KC,MO/Denver	10/15-21/86	1	$1,047
C.	Task Force, other Council business Denver/Washington	1/7-16/87	1	$1,596
D.	Congressional Testimony	2/4-5 and 2/27-3/3	2	$1,740
E.	Awards Program Denver/New York	1/30/87	1	$ 365
	Subtotal (Chairman)		6	$5,973

2. COUNCIL MEMBERS

	Purpose	Date	Trips	Cost
A.	Full Council Meetings Washington	11/15-18/86	8	$3,908
B.	Task Force Meetings Washington	1/14-16 and 2/12-14	4	$1,251
C.	106 Case Reviews	10/15 and 2/20	2	$ 363
	Subtotal (Council Members		14	$5,522

3. STAFF

	Purpose	Trips	Cost
A.	Section 106 Case Reviews	33	$6,656
B.	Training	11	$4,711
C.	Meeting Attendance	3	$1,262
	Subtotal (Staff)	47	$12,629
	GRAND TOTAL	67	$24,124

Question. How long has the position of Assistant For Policy been vacant? What has happened to these salary savings?

Answer. We decided to abolish that position when the incumbent chose to retire on October 31, 1986, and the lapsed funds are being used to offset the 1987 payraise.

Question. If the Executive Director and the Assistant for Policy positions are both vacant, and if those positions are being replaced with, among other things, a "lower graded training coordinator," can't the Council fund additional FTE's within its base funding?

Answer. We cannot this year because we must absorb the 3% pay increase and the increase in FERS benefits. As we expect to fill the Executive Director vacancy shortly, further savings will not be forthcoming. When that action occurs, we will review the status of our personnel account and determine whether money is available for such actions as hiring our training coordinator in FY 1987, rather than waiting until FY 1988 begins.

Question. Under the new regulations, are the Federal agencies required to identify historic properties that may be affected by their actions?

Answer. Yes, 36 CFR § 800.4(b) requires a "reasonable and good faith effort" to identify such properties, done in consultation with the State Historic

Preservation Officer. We are in the process of developing guidance material on how to decide what level and kind of effort to undertake; this material is being developed in cooperation with the Department of the Interior, and will probably be published jointly by the Council and the Department.

Question. Under the new regulations, do the Federal agencies have to evaluate the effects of their action on those historic properties?

Answer. Yes, procedures for evaluating effects are set forth in 36 CFR § 800.5.

Question. Do the new regulations require Federal agencies to consider alternatives or to consider measures to mitigate adverse effects?

Answer. Not in so many words, but 36 CFR § 800.5(e) says that where an undertaking will cause adverse effects the agency official must consult with the State Historic Preservation Officer and, as applicable, other interested persons, to "seek ways to avoid or reduce the effects on historic properties." Obviously seeking such ways logically requires considering alternatives and mitigation measures.

Question. I believe I am accurate when I say that the Federal Highway Administration (FHA) was a strong, if not the strongest, critic of your prior Section 106 regulations. Do the new regulations satisfy the FHA? Please submit the final comments of the FHWA regarding your revised regulations for the record.

Answer. In response to your request, we are submitting a copy of FHWA's comments on the revised regulations as they were published for comment; this is the latest official comment by FHWA during the rulemaking process.

I would also note that the representative of the Secretary of Transportation voted in favor of the new regulations when the Council adopted them last July. Since then, the Administration of FHWA has spoken well of the regulations and FHWA has taken a leadership role in helping us establish the first State agreement for substituting State procedures for the federal regulations, an innovation of the new process.

INITIAL COMMENTS OF FEDERAL HIGHWAY ADMINISTRATION

JAN 10 1986

Robert R. Garvey, Executive Director
Advisory Council on Historic Preservation
1100 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Dear Mr. Garvey:

This is the Department of Transportation response to the request of the Advisory Council on Historic Preservation for comments on proposed revisions to the regulation, Protection of Historic and Cultural Properties (36 CFR part 800), published in the Federal Register on October 15, 1985.

The principal concerns, which we consider essential to meet the objectives of the regulatory review of Section 106, are discussed below. The attachment to this letter consolidates additional comments which we also believe are necessary to produce a workable process.

800.4(d) When no historic properties are found

Subsection (d) stipulates that the Agency Official notify "known" parties interested in the undertaking. It may not be clear when a party is "known" to be interested particularly in situations where there are no historic properties present. To avoid possible misunderstandings, it is recommended that this subsection, last sentence, be modified to read:

> "The Agency Official should notify parties which have expressed interest in the undertaking and its possible effects on historic properties and make the documentation available to the public."

800.5(b) When no effect is found

We find Section 800.5(b) to be a step backward from the present regulation. Under the revision, the agency must notify the Council whenever "no effect" is found in consultation with the State Historic Preservation Officer (SHPO).

The present regulation simply requires the agency to document the finding for its file and proceed with the undertaking. If there is an objection to this finding, only 15 days are provided in the present regulation for Council review (versus 30 days for response in the proposed regulation). The proposed section on "no effect" determinations will increase processing time and paperwork at the project level and does not advance the objectives of simplification and flexibility. To achieve those objectives, we recommend the following change to 800.5(b)(1)(i) and (b)(2):

> Delete the phrase in 5 (b)(1)(i)"...and notify the Council." The subsection would read: "Obtain the State Historic Preservation Officer's concurrence with the findings and proceed with the undertaking; or ..."
>
> Revise 5(b)(2) to read "Unless the State Historic Preservation Officer disagrees with the finding within 15 days of notice under 800.5(b)(1)(i) or the Council or the

State Historic Preservation Officer disagrees within the 15 days review period of subsection 5(b)(1)(ii), the agency official is not required to take any further steps in the Section 106 process."

800.5(c)(4) Agreement

In FY85, the Council reviewed 1,435 unconditional and 650 conditional "no adverse effect" determinations under the present regulation. This required only that documentation agreed to by the State Historic Preservation Officer be sent to the Council. The proposed regulations eliminate the "no adverse effect" assessment category. This will require that approximately 2,100 "no adverse effect" determinations annually be treated as Memorandum of Agreement cases, requiring additional consultation with the SHPO, more paperwork and sign-offs in the field, and a more complicated review load for the Council. The following change is recommended for this subsection:

Add "determine the necessity of executing a Memorandum of Agreement. If a Memorandum of Agreement is prepared," to the subsection. It would then read: "If the Agency Official and the State Historic Preservation Officer agree upon how the effects will be taken into account, they shall determine the necessity of executing a Memorandum of Agreement. If a Memorandum of Agreement is prepared, they may invite others to concur with the agreement. The Memorandum of Agreement shall be submitted to the Council for comment in accordance with 800.6. If the severity of the effect is such that a Memorandum of Agreement is not considered to be necessary by the Agency Official and the State Historic Preservation Officer, notice of the treatment will be provided to the Council in accordance with Section 800.5(b)(2)."

800.6(a)1(i),(ii) and (iii) Review of Memorandum of Agreement

This subsection should be changed to make clear that when a Memorandum of Agreement is accepted that the Section 106 process is concluded. Further, the change recommended below for subsections (ii) and (iii) would reduce Federal agencies' objections to an implied Council approval process. The paragraph below should be substituted for subsections (i), (ii) and (iii):

"Accept the Memorandum of Agreement, concluding the Section 106 process, or decide to comment on the undertaking. Nothing in this subsection shall prevent the Council from suggesting changes to the Memorandum of Agreement which, if accepted, would conclude the Section 106 process."

800.6(d) Foreclosure of the Council's Opportunity to Comment

We believe that a majority vote of the Council members should be required to declare that the Council's opportunity to comment on a project has been foreclosed. As few as three members out of 19 should not be sufficient to take such an action in view of the consequences of such a determination for an agency. It is recommended that the following change be made to subsection (d):

Delete the words "... considering the undertaking, provided that at least three (3) members shall so vote."

800.9 Criteria of Effect

The proposed regulation should apply the same standard mandated by Congress for National Historic Landmarks to all historic properties. The Congress amended the National Historic Preservation Act in 1980 and required that the Council comment when there was a direct and adverse effect to National Historic

Landmarks (Section 110 (f)). We strongly encourage the Council to recognize this more recent standard of direct and adverse effect as the appropriate standard for all historic properties under Section 106 and the proposed regulation.

This entire section should be modified to read as follows:

(a) An undertaking has an effect on a historic property when, as a direct result of the undertaking or as a reasonably foreseeable consequence of the implementation of the undertaking, the following criteria are both met:

(1) The undertaking alters characteristics of the property, including relevant features of its environment or its use, which qualify the property for inclusion in the National Register are altered, and

(2) The alteration diminishes the integrity of the property's location, design, setting, materials, workmanship, feel or association.

(b) Effects on historic properties include, but are not limited to:

(1) Physical destruction, damage, or alteration of all or part of the property,

(2) Alteration of the character of the property's surrounding environment where that character contributes to the property's qualification for the National Register,

(3) Introduction of visual, audible or atmospheric elements that are substantially out of character with the property or alter its setting where that character or setting contributes to the property's qualification for the National Register, and

(4) Neglect of a property resulting in its deterioration or destruction.

We look forward to continued coordination with the Council for the implementation of these regulations.

Sincerely,

Matthew W. Scocozza
Assistant Secretary for Policy
and International Affairs

ADDITIONAL COMMENTS OF THE DEPARTMENT OF TRANSPORTATION ON PROPOSED 36 CFR PART 800, PUBLISHED IN THE FEDERAL REGISTER, OCTOBER 15, 1985

800.1(c)(1) Roles of the Participants-Agency Official

Subsection 800.1(c)(1) permits grant applicants to act for the Agency Official in complying with Section 106. In many cases, consultants who are experts in environmental matters, including historic preservation, act for grant applicants. We recommend that this be recognized by adding "or a designee" to the subsection, second sentence.

800.2(c) Definitions - Classes of historic properties

Subsection 2(c) introduces a new definition dealing with similar properties not necessarily adjacent to each other. While supplementary information (item 3) discusses classes of similar properties and encourages dealing with these sites through programmatic agreements, agencies are concerned with project impacts and mitigation on individual sites in the project area using specific, efficient and cost effective preservation principles and decisions. The class concept could weaken and confuse these efforts.

We recommend that subsection 2(c) be deleted, and reference to "classes of historic properties" removed from Section 800.4(b). As one of the examples of programmatic application, "classes of historic properties" could be listed in Section 800.13 as an example of items that could be treated by programmatic agreement.

800.2(e) Historic property

Artifacts and remains are normally removed from archeological sites, while records are created on site during the study or excavation. The definition of a "historic property" would be more to the point and consistent with the National Register definition by concluding the subsection 2(e) definition after the word "Register."

800.4(c)(4) Locating historic properties

Subsection (4) needs to be clarified to ensure that there is no conflict with the existing Department of the Interior regulation (36 CFR, part 63) which specifies that a question exists only when either the Federal Agency Official or the State Historic Preservation Officer is provided with information which causes either to modify its position. The Part 36 qualification is not taken into account in the proposed subsection (4). Application of the phrase "if a question exists" could be confusing and might allow abuse by individuals or groups questioning without valid reasons the adequacy of the identification or evaluation study. It is recommended that this subsection be changed to read:

> "If the Agency Official and State Historic Preservation Officer do not agree, if either the Agency Official or State Historic Preservation Officer believes that a valid question exists, ..."

800.5(c)(2) Documentation

Subsection 805.(c)(2) refers to 800.8(b) for documentation that is required when effects are found. However, it is not clear from reading Subsection 800.8(b) that this applies to effect determinations. We suggest that this be clarified in both subsections as follows:

> Insert "when effects are found" in 800.5(c)(2) to read "Documentation. When effects are found, the Agency official shall provide each of the consulting parties with the documentation set forth in 800.8(b)." Also, change 800.8(b) to read "Consultation. When effects are found the required documentation is as follows:...."

800.5(c)(3) Informing the public

This subsection should make clear that when the public has been given an adequate opportunity by the agency to receive information and give its views on the case, any further public meetings initiated by the Council or the State Historic Preservation

Officer are at their own arrangement and expense. Subsection (c)(3), second sentence, should be changed to read:

> "This will not preclude the State Historic Preservation Officer or the Council, at their own direction and expense, from meeting with interested parties or conducting a public information meeting for this purpose."

800.7, Agreements with States for Section 106 Reviews

Section 800.7, a new section, should be clear that its use is optional by the agency and that a state with an approved Section 106 process agreement cannot require an agency to use it. We recommend that the following be inserted after paragraph 800.7(a)1(i)(ii):

> (iii) An agency is not required to use the approved state review process where one is in effect.

We believe that State agreements for Section 106 review are a positive step in streamlining coordination activities. Such an agreement will be attractive and useful to agencies only if the Council eliminates its review of actions under the agreement as proposed in Subsection (a)(3)(ii) and utilizes monitoring, proposed in Subsection (c)(1), to maintain validity of the Section 106 process. It is recommended that the following changes be made to 800.7:

> Delete Subsection (3)(ii), and modify Subsection (c)(1) to read "The Council shall monitor activities and actions and provide for appeals of such actions carried out under 800.7(a) agreements, ..."

800.10(a)(2) Protecting National Historic Landmarks

This subsection requires the Secretary of the Interior to provide detailed reports in all cases to the Council regarding National Historic Landmarks affected by an undertaking. However, Section 213 of the National Historic Preservation Act requires the Secretary to do so only when requested by the Council.

The proposed subsection is not cost effective and efficient as it will delay the consultation process when minor impacts on a Landmark must await preparation of a detailed report as mandated by the subsection. To provide room for discretion in these cases, it is recommended that Subsection 10(a)(2) be modified to read:

> "The Council may request..."

800.11 Properties discovered during construction

In cases where the Agency has consulted in good faith and where the Section 106 process has been completed, the Agency should not be delayed by any unexpected discovery. Compliance with Section 106 should be expedited by all parties. It is recommended that the clauses "this shall be treated as a new undertaking, and the Agency Official shall afford the Council an opportunity to comment by choosing" be modified so that the subsection reads:

> "(a) Federal agency responsibilities.
> When an Agency Official has completed the Section 106 process and finds or is notified after beginning construction that the undertaking will affect a previously unidentified historic property, the Agency Official shall choose one of the following courses of action:...."

800.12 Emergency undertakings

This section should be modified to account for emergency undertakings to reduce continued threats to public safety. We suggest the following be added to Section 800.12(a): "Emergency undertakings to minimize the extent of damage and threat to the public safety; to protect remaining facilities and structures; and to restore essential public use are considered exempt from the requirements of the National Historic Preservation Act."

National Environmental Policy Act

Section 800.9, Coordination with the National Environmental Policy Act (NEPA), in the present regulations is deleted in the proposed rulemaking. We believe that the Section 106 review should be integrated with NEPA and propose that similar language on coordinating the two requirements should be reinserted in the revised regulations.

COUNCIL MEETING MINUTES, NOV. 17, 1986

FINAL COMMENTS OF FEDERAL HIGHWAY ADMINISTRATION ADMINISTRATOR

Mr. Lee wanted to clarify that Dr. Johns submission was a group document.

Mr. Wilson also requested an outline of the major issues.

Dr. Johns then went over items in letter. [See Appendix I]

One of the chief problems seemed to be one of communications in area of administration, confusion on Assessment report, lack of formulation of procedures.

Lanzone believe process problems not structural problems.

Caldwell believes both types of problems. Think we need procedures so members are informed of what happens or what is set up.

Chairman would be happy to send out memo.

Wright case in point the Assessment had been voted on at last meeting, yet it was not sent out as voted, who has authority to send out after full Council vote. Believes procedures is problem, not staff. Who has authority to change direction of full Council vote, especially a unanimous vote. Need to know who has power to do what.

Lanzone said vote was not final but was to be referred back to task force.

Wright - point is procedural, after voting how could it be changed.

Lee - Mina point is good and example is good. Relationship of Chairman and Council is the main item. We need to talk about the primary difficulty. Where does the Council as a whole have to speak, when can the Chairman speak for the Council, when does it have to go back to the staff.

Althaus - expressed appreciation to Dr. Lee for stating the issue. Believe task force is way to get it together.

Caldwell - Section 210 specifies relationships. Should have passed out.

The Chairman then asked guests to come to table. Believed quite timely since we have just completed regulations to have senior administrative officials to come to discuss how their agencies have been working with Seciton 106.

The Chairman then introduced Mr. Ray Barnhart, Administrator of the Federal Highway Administration. Mr. Barnhart first applauded the new regs, gave out the most recent edition of "U.S. Highways," a periodic information publication, and "Excellence in Highway Design," the 1986 biennial awards of FHWA. Mr. Barnhart then proceeded to discuss the dependance on the all important highway system and how good the system is that we now look on it as our God-given right, perhaps as a Constitutional guarantee, which, in fact, is not true. Almost 90 percent of everything we are in this country is dependent upon highways. Everything we eat, work, use, or produce moves on this system, and it is critically important to every indivdual in this country. It is because of highways that we have the dynamic economy that we have, even though it seems to be going into neutral, but it is our quality of life. It is because of highways that we have gained access to every part of this country, and while many people will denegrate highways, say they diminish our quality of life, in fact, without highways, we would not have society as we have it today. Yet, we do have our short comings, and I recognize it. But they are vital. Last year more than 1.8 trillion miles driven on this highway system, and we project an increase in that by the turn of the century of almost 60 percent. And that's not an inflated figure. If we think we have traffic impaction now, wait until the turn of the century. And when I realize what our traffic demands for commerce are for every individual, when I realize the lag time from getting a concept of a road up to the point of when you can issue a contract of some 6-1/2 years, we are at the turn of the century right now. You who are in California, and I'm sure there are some of your from Califronia, if you think you have problems now, wait until tomorrow. If you're up in New England, in the Boston area, wait until tomorrow. It is productivity, it is whether we are going to compete in a world economy. Thus I say highways, their construction, not new locations, because we are not going to have a massive new highway program of new miles strips of concrete and asphalt. That is not the future of the program. It is using more efficiently that which we have to increased capacity and to make it safer, and we do have the safest system in the world. But we are going to encounter additional problems from here on out because the crux of our problems will be in urbanized areas. And that is where we will run into historic properties. Historic properties that can delay unnecessarily projects that are so necessary to people. Now, I support historic preservation. I think Federal Highway has a pretty good record. Not that we are without sin. Certainly in years past I think highways have ignored the environment, but I hope we are a more enlightened people than we were 20 years ago when your act came into being and when the Federal Highway got envolved in historic preservation which was long before your act came into existence. We have made some remarkable progress in historic preservation. I think when the act was first created you have about six properties that were on the Regiater, and you now have gone up to some 35,000, and I suspect you have another 25,000 that are eligible. My question is, "How many of them are of true national significance; those which preserve the finest of what our heritage has been. That is what I think we must really guard. On others, simply because they are only as old as I am, I wonder if all things, simply because they are of an age level, if they do represent the finest of what society has been or our heritage.

That is the choice you are going to be having to work with. But it is important that we work cooperatively together, because you have a legitimate role. At the same time, it is not the only

role. And that is where we always run into conflict, because whereever we are we interpret things in terms of our own experiences and our own desires. But while we will work with you, we must also work with wetlands. We must also work with agricultural labs, so that we often have no options. We have to play with the cards that are dealt. We go into urbanized areas now, and certainly most everywhere you go you can find something 50 years old. So that I find that the well-intentioned law is often being used by hands full of people for their own purposes and not with a national system or national program in mind, and that is where I come in conflict with some of your advocates, with some of the Sierra Clubs, etc. When I find that people can use a law to thwart that which most people need, and we cannot get the full value out of the dollars we spend, that drives me up a wall. Whether it is out in Dubuque where we hae four homes that are 60 years old that you could find in any northeastern city that can result in years of delay and horrendous increases in cost that can only be paid by taxpayers. Where there is no accountability to future societies for that which is denied, or for the additional costs, that are not meaningful, that is where we run into problems. In the same way with wetlands, when I look at New Jersey where we have to have a six-span bridge redesigned to a four-span bridge. We need longer spans in order to reduce the number of pilings that go down into that marshland that breeds mosquitos. Where we have to have that bridge redesigned to a fur-span bridge in order to reduce the number of piles, meaning we save 32 square feet at a cost of over $300,000. Is that a prudent use of public funds? Is the delay out in Dubuque because of those four homes, was that a prudent expenditure of public funds? Certainly we will be at odds with each other, but I would hope that we would look at the projects, and the sites specific to see if that is where our national policy should be, or if perhaps it is being abused by a few people. You have provided one thing in here that I think is awfully good and that is to provide for some latitude, some options on the part of local states to develop their own processes. We at Federal Highway are trying to do that. We have an office in every state, as close to the state government as is possible. Most of our business is conducted at that state office, rather than coming to Washington 2,000 miles away where the specifics of the situation are not known. It seems that we should recognize that there are other constitutional levels of government and that all wisdom is not simply based in Washington, D.C. Up to a point, I do think we do need a national cause and national standards to look to the national program, but I think there must be latitude given to adapt to the conditions of the particular state or area and that the states should have some authority and responsibility to look at these historic properties from that state perspective. I have tried to do that in Federal Highway; it is a constant battle of judgment. We do applaud your regs because of that, it gives more latitude, a more objective approach instead of a blanket, hard and fast rule that must be applied nationwide. I would hope that you would look closely at delegating whatever authority you can legitimately on some of these issues to your State Historic Preservation Officers. I know some folks that say these highways run roughshod, how did we save this postoffice, how come they did not put a highway through it. Frankly, I think highways and states have become more realistic and more sensitive to lovely structures. . . and we have made an effort to avoid impacting them negatively. We run into another issue now, that is really going to give us heartburn, and that is constructive use. And we hae some real differences on constructive use. Especially now as I mention to you the impaction of society on transportation. It is going to mean more in the urbanized areas, and where will you not have sounds or shadows. Then it's got to be a choice. We respond to states within the parameters of law, and we will try to honor that up to a point. We cannot go too far because of the law again, an equal access to law for when we allow state

latitude, as we do, to go forward then when there are claims made for legal fees, they come out of my general operating budget, not out of the states, so we do have to ride herd on the states and try to get them to follow the law pretty tightly, and we do. And we do look forward to working with you and with these regs, and I will assure you that we will try to with an even hand evaluate some of these projects as they comport with law, recognizing that we have this other constant additional constitutional government down here that we believe we should respect as well. Again, it's a fine line. (Mr. Barnhart then handed out something.) I want to give you this to show you the scope of what we do and how it relates to transportation safety. I think you might find it interesting because it is quite a broad responsibility. We do try to be good stewards of that public trust, just as you do, but recognizing, too, that our calling goes beyond historic to these other areas.

Mr. Caldwell questioned local significance as opposed to national significance--referring to four houses in Dubuque. Local significance is important to the local people. How do you respond to that.

Mr. Barnhart's concern is when there are others in the the are identical. It is a question of choice or if it is distinctive. I think we ought to preserve them wherever we can, but not at the expense of more important things. Again, it's a matter of choice. And are we going to rely on this law to, in effect, deny people in an entire area a safe facility that they need. And I cannot answer that.

Mr. Caldwell responded regarding the one covered bridge in the his area that he felt was of significance. Who would decide the significance in any area. He felt the Dept. of the Interior should be the one to do that.

Mr. Barnhart agreed but requested some latitude for the particular state rather than having one thing apply to all. He could see some serious problems by the turn of the century with the tremendous increase in traffic, and if we are thwarted on making safety improvements on these roadways, we are going to be killing an awful lot of people - more than we are.

Chairman then moved on to Sullivan, requesting at the same time that questions be held until the end of the presentation.

Chairman Baker then introduced Mr. William Sullivan, Commissioner, Public Buildings Service, General Services Administration. Mr. Sullivan then presented an overview of their program and how we can work better together. The Public Buildings Service runs all the Federal buildings in the country, including this one. We have about 2,000 Federal buildings, of which 350 are actually on the National Register or are eligible for listing. Approximately two dozen of those have national historic landmark status. An important point is the need to work together reasonably, and I think that my agency and the Council have begun to do that. Our buildings are very, very old. Most of them in Washington are over 50 years old, others are over 35 years old, and we do not have the funds to upgrade these buildings like they should be for even fire safety reasons. I think that's sometning we all must keep in mind as we work together in this whole process. We have had a numbe of properties that we have been involved in in terms of preservation projects. Things that we are doing currently: Blair House; the National Building Museum (Pension Building); the St. Louis Post Office/Court House, which is a building very similar to this one as it is a mixed use building. We are going to have shops on the lower level and offices on the upper levels. That building looks very much like the Old Executive Office Building. We have worked

with the Council, too, on the Bowling Green Custom House, sometimes not so happily on that project, and I think that quite frankly Cynthia, Ed Wilson, and I got involved in that because there were some problems in that had occurred in the way we interacted on that particular project. I think that was a good lesson for us at GSA, because this past summer I sent out a letter to our people to reiterate the importance for us to work closely with you all and also the State historic people at a very early point. I think that is really the critical thing. The thing you have to realize is that we have very limited resources, and when we begin to restore or renovate buildings, it is important that we start to talk early because the later in the process that you become involved or that you come in with significant comments, or the states come in with significant comments the less likely it is going to be that we are going to be able to make the kind of changes that you would like in this particular project. We have schedule impacts, cost impacts. It is very difficult for us to go back to Congress in many cases to get more money. Our people are very reluctant to do that. So I think the critical thing is for us all to work together very, very early. I cannot stress that enought. And, of course, that puts a burden on us, certainly to let you know what properties we are considering renovating or whatever.

Question Submitted by Senator James A. McClure

Question: During FY 87, ACHP will be moving into a revised regulatory system reflecting Section 106 of the National Historic Preservation Act. Among other things, this section requires Federal agencies to "take into account" the effects of their undertakings on historic properties and to afford ACHP the opportunity to comment on such undertakings.

Have you run into any particular problems, budgetary or otherwise, during FY 87 that this subcommittee take into consideration?

Answer. Our experience with the new regulations is fairly limited as they have only been in effect five months and, many cases during that period have been processed under the preceding regulations. At present it appears that our FY 1987 and requested FY 1988 funding and staffing levels will be adequate to meet the case review demands of the new regulations. We have some concern about the possibility of pressures being placed on our resources by the regulatory requirement that we meet 30-day and 60-day deadlines for processing certain cases. However, we will have to have more experience with the new system before we can reach any useful conclusions. We appreciate the committee's concern and will keep you fully apprised of our assessment of the situation.

SUBCOMMITTEE RECESS

Senator REID. This subcommittee will stand in recess until Tuesday, March 10, at 2 p.m., at which time we will review the fiscal 1988 budget request for the Minerals Management Service.

Ms. BAKER. Thank you very much.

[Whereupon, at 3:30 p.m., Tuesday, March 3, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 10.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1988

TUESDAY, MARCH 10, 1987

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:05 p.m., in room SD–192, Dirksen Senate Office Building, Hon. Harry Reid presiding.

Present: Senators Burdick and Reid.

DEPARTMENT OF THE INTERIOR

MINERALS MANAGEMENT SERVICE

STATEMENT OF WILLIAM D. BETTENBERG, DIRECTOR

ACCOMPANIED BY:

JOHN B. RIGG, ASSOCIATE DIRECTOR FOR OFFSHORE MINERALS MANAGEMENT
JERRY D. HILL, ASSOCIATE DIRECTOR FOR ROYALTY MANAGEMENT
THOMAS M. GERNHOFER, ASSISTANT DIRECTOR FOR ADMINISTRATION
DONALD T. SANT, ASSISTANT DIRECTOR FOR PROGRAM REVIEW
THEODORE F. SAUNDERS, BUDGET OFFICER
DAVID CROW, DEPUTY DIRECTOR, MINERALS MANAGEMENT SERVICE
ANTHONY ITTEILAG, DIRECTOR OF BUDGET, DEPARTMENT OF THE INTERIOR

PREPARED STATEMENT

Senator REID. The committee will come to order. This is the time scheduled for the Department of the Interior and related agencies, for the Appropriations subcommittee to hear from the administration witnesses on the fiscal year 1988 budget request for the Minerals Management Service.

Testifying on behalf of the Service today is Mr. William D. Bettenberg, Director. At the conclusion of this testimony, the subcommittee will turn to the Office of Indian Education.

The fiscal year 1988 budget request of the Minerals Management Service is $559,183,000, which is a decrease of $36,239,000 over fiscal year 1987 appropriations to date.

Mr. Bettenberg, we welcome you here today before the subcommittee. Would you introduce your associates that are at the table. We have your prepared statement, and it will be inserted in its entirety into the record.

In the interests of saving time, it would be appreciated if you would summarize your opening remarks, briefly, and then we will proceed with the subcommittee's questions.

[The statement follows:]

STATEMENT OF WILLIAM D. BETTENBERG

I want to thank the Chairman and members of the Subcommittee for the opportunity to appear today to discuss the Minerals Management Service (MMS) budget proposal for FY 1988. The MMS has responsibility for two major programs both of which provide significant revenues for the Treasury. These programs are the leasing and management of mineral resources on the Outer Continental Shelf (OCS), and the collection and disbursement of oil, gas, and other mineral receipts from mineral leases on Federal, Indian, and OCS lands. Our budget supports programs that encourage environmentally sound exploration and development of the Nation's offshore energy resources which in turn can reduce our dependence on foreign sources of supply and enhance our national security. While these programs constitute a significant source of revenue for the Federal Treasury, OCS leasing and production operations also represent a vital source of energy for many years into the future. Production operations on current OCS leases account for approximately one-fourth and one-eighth, respectively, of our Nation's production of natural gas and oil.

The budget request for the Minerals and Royalty Management Appropriation for FY 1988 is $7.9 million above our FY 1987 enacted Appropriation. As in previous years, we have continued to re-examine our program priorities and directions, focused our leasing program on areas of greatest promise and industry interest, and emphasized management and administrative efficiencies. Although this has allowed us to propose significant decreases in the OCS and General Administration activities, the FY 1988 request exceeds the FY 1987 funding level because of: (1) Base increases for the new Federal Employees' Retirement System ($5.1 million), the full year cost of the FY 1987 pay raise ($2.3 million), and rent ($1.9 million); and (2) increases ($2.8 million) for program improvements in royalty management. The request for the Payments to States appropriation for FY 1988 is $44.1 million below our FY 1987 estimate. Although revenues from onshore mineral leasing are expected to increase in FY 1988, a reduction in actual payments to States results from a net receipt sharing proposal and the fact that sequestered FY 1986 funds were paid at the beginning of FY 1987.

Highlights of our budget proposal include:

- A reduction of $0.76 million in the Environmental Studies Program related to focusing new studies on areas of higher industry interest, completion of several long-term studies, and the substantial level of knowledge already gained in certain subject areas.

- Matching funds of $0.5 million for a jointly funded data collection effort with the State of Alaska to more accurately establish the offshore boundary between State and Federal lands.

- A reduction of $3.1 million, representing the third year in a row of the phase-out of funds required to reimburse industry for processing costs of geological and geophysical data collected under permits issued on or before September 30, 1986. A final decrease of $0.7 million in FY 1989 will result in annual funding requirements of $2.0 million compared to about $8.0 million in FY 1985.

- A decrease of $0.39 million and 11 FTE in the Resource Evaluation Program because of slowed activity in offshore oil and gas leasing.

- An increase of $0.25 million to establish an Auditing and Financial System (AFS) agreements data base. This data base will incorporate the information related to unitization and communitization agreements (pooling) into the AFS.

- An increase of $0.14 million for 4 FTE to provide advice and assistance to payors on the new product valuation regulations and to process resulting appeals.

- An increase of $0.25 million to States and Indian tribes for the cooperative and delegated audit program.

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- A net increase of $2.20 million for royalty systems. Increases of $1.90 million and $0.8 million are requested to assure continual quality systems improvements and an increase of $0.3 million is needed to provide added online access for systems users. These are offset by decreases of $0.6 million due to completion of the Systems Integration Project during FY 1987 and $0.2 million from savings in annual computer hardware lease costs.

- Decreases totalling $1.1 million will be achieved with the headquarters offices consolidation. These savings will be partially offset by a need for $0.2 million for telecommunication needs in the new location.

- A reduction of $55.0 million in payments to States from Federal onshore mineral leasing receipts due to a net receipt sharing proposal. This proposal that net, rather than gross, receipts be shared with the States after program costs are deducted will help reduce the Federal deficit in FY 1988 while assuring that the distribution of revenues between the States and the Federal Government is equitable.

I would now like to discuss in more detail the two primary operating programs under the Minerals and Royalty Management appropriation: Outer Continental Shelf Lands and Royalty Management.

Outer Continental Shelf Lands (OCS)

The OCS program is designed to allow industry to explore for and develop oil and gas and other minerals from offshore submerged lands. OCS leases have resulted in production of over 7.5 billion barrels of oil and over 74.7 trillion cubic feet of gas since the program began in 1953. We estimate that the OCS hydrocarbon reserves constitute 22 percent of domestic oil and gas reserves--up from about 14 percent only a decade ago. In 1985, the OCS provided approximately 12 percent of domestic oil and 25 percent of domestic gas production. This was accomplished with truly insignificant adverse environmental consequences.

In addition to supporting the energy needs of the Nation, the Federal offshore program has provided over $89 billion in bonuses and royalties to the Federal Treasury since 1954. In FY 1988, $3.7 billion is estimated to be collected from OCS lease sales, rents, and royalties.

For these reasons, it is important that the OCS oil and gas program proceed in a steady, orderly manner. In an attempt to improve understanding and support for the program, MMS has worked with State and Congressional delegations to amicably resolve leasing issues. The Department has made a concerted effort to exclude from the long prelease planning process, areas where industry interest is minimal and conflicts exist with other resources or uses. Adjustments have also been made in a number of sale dates to better accommodate extra consultative efforts with State governments. Also, MMS initiated a "negotiated rulemaking" process concerning regulations governing air emissions from oil and gas exploration and development facilities on the Federal OCS offshore California. Participating in the facilitated proceedings are representatives from the State of California, local governments, environmental groups and representatives of the oil industry. MMS is supported in a Federal coalition by several Federal Agencies. This is another positive step to reach a consensus with concerned parties, and assure that scheduled OCS program activities proceed in an orderly fashion.

Last year when I appeared before this Subcommittee, I stated that on February 6, 1986, Secretary of Interior Donald Hodel released the Proposed 5-Year Offshore Oil and Gas Leasing Program for 1987 through 1991. Over 3,000 comments were received on the Proposed Program. The comments came from Federal Agencies; Governors of 20 coastal States; agencies and legislators of 9 coastal States; local governments in 4 coastal States; petroleum and related industries and associations; environmental and other interest organizations; members of Congress; and private citizens. All of these comments have been considered in preparing the Proposed Final 5-Year OCS Oil and Gas Leasing Program for the period mid-1987 through mid-1992, that is due to be submitted to Congress next month.

In accordance with P.L. 99-591, on February 2, 1987, a draft of the Proposed Final Program for the OCS off California was transmitted to the co-chairmen of the special Congressional Panel established by P.L. 99-190 for a 30-day review and comment period. The California plan is an amalgamation of the Proposed Program (which was released in February 1986) and the proposals from California Governor George Deukmejian, Congressman Ralph Regula, and Representative Leon Panetta. Only 13 percent of the area previously covered by Congressional leasing moratora is included in the plan and about 95 percent of the Governor's recommendations for removal of environmentally sensitive areas were accepted. Although the plan defers leasing of 56 million acres (74 percent of the Federal OCS planning area off California) until after 1992, approximately 82 percent of the high interest blocks identified by oil companies in a 1985 survey will be available for leasing under the plan. The areas proposed for leasing contain an estimated 1.7 billion barrels of undiscovered, economically recoverable hydrocarbons compared with 2.51 billion barrels for the entire California OCS planning areas.

Royalty Management

The Department of the Interior has been collecting rents, royalties, and bonuses from Federal and Indian mineral leases since 1921. As you are aware, within the last few years, the Congress has appropriated additional funding and the Department has greatly intensified the attention given to the process to assure that mineral leasing revenues are properly collected, accounted for, and distributed to the recipients as established by law. The MMS has been responsible for this function (except for the collection of bonus and rentals for Indian leases) since its establishment in 1982.

Since 1980, the royalty management staff of MMS and its predecessor bureaus has worked diligently to overhaul the outdated accounting system which had been in use for more than 30 years and to improve accountability for the Nation's mineral leasing revenues. A Royalty Management Action Plan was published in April 1985 to guide our efforts over the next few years and it has been updated every 6 months. Major programmatic and management changes have taken place during FY 1985 and FY 1986 and are continuing into FY 1987. Although MMS has not eliminated all of the problems in the program, a strong foundation is being developed and solid progress is being made. As a result, many positive accomplishments have been achieved. Among the most important are:

- Starting in FY 1986, the in-house MMS exception processing effort was augmented by contractor employees. As of December 31, 1986, gross revenues have increased by a total of $12.4 million as a result of the Auditing and Financial System (AFS) exception processing. In FY 1987 and FY 1988, MMS anticipates additional gross revenues of $12.6 million and $10.8 million, respectively.

- The percentage of initial rejected fatal lines (those data lines that have errors which make it impossible to accurately disburse funds until corrected) has declined over a 33-month period from 17.3 percent to 4.4 percent, or a decrease in the percentage of total fatal lines of over 75 percent. Moreover, the percentage of fatal lines relative to all lines submitted has been below 5 percent for 5 out of the last 6 months.

- On April 30, 1986, AFS data from State and tribal leases was made available to States and Indian tribes through the State and Tribal Support System (STATSS). Additionally, training and equipment were provided to nine Indian tribes, nine States, and 11 BIA offices to allow them to access AFS data through STATSS. MMS expects external STATSS participation to continue to increase through FY 1987, and plans to make additional user requested refinements to the system.

- The Payor Handbook (the official guide to royalty payors on how to report to the AFS) has been updated and substantially improved. In FY 1986, twenty-five 2-day training sessions for approximately 200

royalty payors were conducted in eight cities. Improved reporting accuracy by many of these companies has already been noted.

- An intensive effort has almost been completed to clean up key elements of data used in the royalty systems data bases. A Federal lease reconciliation effort was completed in April 1986, and the Federal fund code validation effort was finished in September 1986. Indian lease and fund code validation projects are scheduled for completion this year.

- The first phase of a new Interagency Database Verification System (IDVS) was implemented in April 1986. The IDVS assures that RMP systems (AFS and BRASS) reference data necessary for collection and distribution is consistent with data maintained by the Bureau of Land Management (BLM) in its Case Recordation System.

- Interest liability related to late payments has been significantly reduced from $1.2 million in FY 1985 to $0.3 million in FY 1986. For the first quarter of FY 1987, interest liability was approximately $0.05 million.

- In June 1985, MMS began making comparisons on a regular basis of sales reported to AFS to production volumes reported to the Production Accounting and Auditing System (PAAS) for offshore leases and solid minerals leases plus 5 percent of onshore oil and gas leases that have been converted to PAAS on a pilot basis. The resulting exceptions are examined and reconciled. Through December 31, 1986, this effort has resulted in additional royalty collections of $10.1 million.

- On January 20, 1987, MMS published a notice of proposed rule for the Royalty-In-Kind (RIK) regulations in the Federal Register. These new regulations will eliminate the current differences that exist in the treatment of onshore and offshore RIK practices. In addition, the process of charging a fee to recover the cost of this program will be formalized.

- MMS has been working to develop regulations for the valuation of oil, coal, and gas which are clearer, more comprehensive, and more certain, and which result in more fairly computed royalties than the existing regulations. RMAC established three working panels which reviewed a set of draft regulations released in January 1986. Using the results of the RMAC review as well as other comments, MMS published the proposed oil and coal product value regulations in the Federal Register on January 15, 1987, and the proposed gas product value regulations on February 13, 1987. In addition, the Department has released its proposal to make retroactive recent changes to Notice to Lessees No. 5 (NTL-5), which governs the value for royalty purposes of natural gas produced from onshore Federal and Indian lands.

- The scope of audits performed by RMP personnel has been expanded. In FY 1982, a total of 60 complete lease audits was undertaken by the Royalty Management Compliance Program. In FY 1985, 1,165 complete lease audits were done, and this number increased to 1,743 in FY 1986, including verification of production records. All audits of Federal and Indian leases include steps to reconcile sale volumes on which royalties are paid to production volumes reported for the same lease.

- Audits have resulted in collection (or denial of refunds) of $6.6 million during the first 3 months of FY 1987, bringing total program collections to approximately $331 million since 1982. Accomplishments under the joint audit program conducted with States and tribes are approximately $49 million of the $331 million with $2.7 million collected in FY 1987.

- The MMS currently accounts for about 4,600 Indian leases for which revenues are disbursed to 21 tribes and to more than 27,000 allottees. In January 1986, BIA and MMS implemented a joint Indian Lease Audit Strategy to enable the Bureaus to respond to Indian tribal and allottee lease inquiries in a timely, effective, and efficient manner.

- o MMS has formulated a comprehensive enforcement strategy for assessments and civil penalties. For reporting problems, assessments are applied for instances of late and erroneous reporting.

Additional efforts are underway or under study. Those include:

- o In the FY 1987 continuing resolution, Congress increased the funding level for Royalty Compliance Division audit by $2.5 million from $8.6 million to $11.1 million to expand the audit workforce by 50 positions or approximately one-third. As of February 28, 31 new auditors are working for MMS and the remaining 19 are scheduled to begin work by March 15, 1987. Once these new staff are fully trained, MMS will have significantly improved its audit coverage, resulting in the audit of most Federal and Indian leases on a 6-year cycle.

- o A Mineral Lease Information Study team has evaluated the cost effectiveness of the PAAS and the feasibility of extending some form of automated production accounting to additional Federal and Indian onshore leases. The final report was published in September 1986 and is currently being reviewed by the Department. The Royalty Management Advisory Committee (RMAC) will address this issue in their March meeting and a decision on how the Department will proceed is expected during the second half of FY 1987.

- o In FY 1986, MMS provided $1.9 million to States and Indian tribes for the cooperative and delegated audit program under Sections 202 and 205 of the Federal Oil and Gas Royalty Management Act and the Intergovernmental Personnel Act program. In FY 1987, MMS is providing an additional $0.35 million for this purpose and is proposing a further increase of $0.25 million in FY 1988, approximately 32 percent more than the FY 1986 amount.

- o On February 12, the contractor responsible for reimplementation of AFS on the new mainframe computer certified that the reimplemented AFS was completed and tested. MMS is now starting its independent verification and acceptance of the software. MMS estimates that 4 months of acceptance and parallel operations testing will be necessary prior to placing the system in production.

A final item that I would like to briefly discuss is some of the litigation we have pursued to reinforce our abilities to collect royalties from lessees. In one case, five major producers--Diamond Shamrock, Mobil, Exxon, Cities Services, and Texaco--challenged decisions of the Assistant Secretary of the Interior for Land and Minerals Management requiring payment of royalty on so-called "take-or-pay" obligations under natural gas sales contracts. Take-or-pay contract provisions require a gas purchaser, such as a pipeline company, to take a minimum quantity of gas during each month or year, or to pay for that quantity even if not taken in full.

In a 19-page opinion filed on January 23, 1987, the U.S. District Court for the Eastern District of Louisiana in New Orleans sustained MMS's position and upheld the decisions in consolidated cases involving more than $10 million in disputed royalties. The total amount of royalty on take-or-pay receipts potentially due on all Federal leases is unknown, but other MMS orders and assessments involving take-or-pay monies already represent more than $12.5 million in additional royalties.

The court held that take-or-pay payments, as part of what the seller receives for its gas production, are part of the value on which royalty must be paid. The court's holding also rejected the result in an earlier decision of the U.S. District Court for the Western District of Louisiana in a case involving a different producer, Mesa Petroleum Company.

MMS won another important court victory in a different royalty case involving natural gas produced by Marathon Oil Company from Federal leases in Alaska and sold as liquefied natural gas (LNG) in Japan. The U.S. Court of Appeals for the Ninth Circuit has turned down Marathon's request for a rehearing of the court's decisions affirming a 1985 ruling of the U.S. District Court in Alaska, which requires Marathon to pay royalty on the LNG according to a socalled "net-back"

formula. That formula requires Marathon to pay royalty based on the sales price of the gas in Japan less costs for liquefaction and transportation. Under the district court's decision, Marathon paid more than $9 million in back royalties and interest, and has paid several million dollars more on the higher "net-back" valuation since that time. About 65 percent of these royalties are paid to Cook Inlet Region Inc. (CIRI), an Alaska native corporation with interests in the leases. CIRI distributes the majority of its share to other Alaska native corporations. By law, 90 percent of the remaining royalties are paid to the State of Alaska.

MMS also prevailed in two cases in the U.S. Court of Claims in which refiners claimed that the Interior Department overcharged them in selling oil taken as royalty in kind, mainly during the oil price control period which ended in January 1981. These cases represent claims of over $5 million. Over the last several years, the Department has received claims from refiners totaling more than $450 million. While many of these cases had been settled for comparatively small amounts, several court cases and administrative claims remain pending.

The Court of Claims held that the refiners had no claim independent of the price control statutes themselves. Refiners previously had lost the leading case involving claims under those statutes in a 1985 decision by the Temporary Emergency Court of Appeals.

Mr. Chairman, this completes my prepared statement. I would be pleased to answer any questions you or the Subcommittee members may have.

INTRODUCTION OF ASSOCIATES

Mr. BETTENBERG. Be delighted to, Mr. Chairman.

It is a pleasure to be here today. I guess this is my first hearing before you and I hope that we will have a good relationship over time.

On my far right is Mr. Jerry Hill, who is the Associate Director for Royalty Management. Next to him is Don Sant, who is our Assistant Director for Program Review. On my left is Jack Rigg, who is Associate Director for Offshore Leasing. We've got Dave Crow, next to him, who is the Deputy Director of the Bureau, and on the far left, Tom Gernhofer, who is the Assistant Director for Administration, and just behind me is our Budget Director, Ted Saunders.

I appreciate not having to read the full statement. If I could, I would just summarize a few things about our programs.

SUMMARY OF MINERALS MANAGEMENT SERVICE PROGRAMS

The Minerals Management Service is, in many respects, one of the simpler organizations in the Interior Department. We operate two programs. The first one is the Offshore Leasing Program, and the second one is the Royalty Management Program.

For offshore leasing, the sorts of things I like to stress are the importance of the program to the Nation. Approximately 22 percent of the Nation's oil and gas reserves are offshore. By reserves I mean—oil and natural gas—that have actually been found and quantified. We, from those leases, produce 25 percent of the natural gas used in the United States and approximately one-eighth of the oil that is produced in the United States.

So by any measure, it is not only a major Federal program, but it is a truly significant contributor to the Nation from the standpoint of meet-

ing our requirements for natural gas and for oil. The program is an environmentally sound program. We go to great lengths to assure that we, in fact, are good neighbors to those who we are next to, in terms of the offshore areas. We have substantial measures to assure that we protect from oil spills, from air quality problems, that we protect endangered species, other kinds of species, that we try to get along well with fisherman who also ply those same waters. We work closely with the States.

Despite that, it is a controversial program, as you may well understand. And I would be pleased to answer any questions that might come up in that regard.

From the standpoint of finding energy resources in the United States, we have, in recent years, been trying very hard to focus our attention on California, and the reason for that is that we have explored a lot of other areas and concluded that there is not much potential in most of them. We know that there is substantial potential offshore California, and so if you read about us, it will probably be in that context.

The Royalty Management Program is the second program that we manage, again, an important program. These years, it typically collects between $4.5 billion and $5.2 billion a year. This is a program with a troubled past. We have, I think, been making great strides in improving upon past performance, and I wrote down just a few things that I would like to tick off in that regard.

As we implemented systems several years ago, we had extremely high input error rates—often above 20 percent, and we have brought that down in recent months to below 5 percent, which was the apparent design threshold for the systems that we have.

We have, over the last couple of years implemented a lot of different aspects of exception processing, to use the computer to help us detect late payment problems, certain kinds of errors. We implemented last year a State and tribal support system and provided computers to the States and tribes, so that we now have approximately 18 States and tribes wired into our system, getting precisely the same kinds of data that we have.

We have improved our instructions to industry. We've had major data cleanup projects and those are paying off handsomely. We have reduced late payments that go to States and tribes, substantially. A couple of years ago that was something in the range of $1.2 million, and we've gotten it down into the $200,000 to $300,000 range at this point. We have implemented a comprehensive enforcement strategy. In many cases we are pursuing cases into the courts and doing well in litigation there.

We have expanded our audit program. This year we got 50 additional auditors, and we either have those people on board or scheduled to be on board by next week. Most of them are on board. We have a few left that are coming on.

One problem area that we have had is that our product value guidance has not been as comprehensive or as clear as it can and should be. We now have proposed rules and are in the comment period under the Administrative Procedures Act on that.

We also have underway a major systems conversion effort to put our major system onto a mainframe computer, and while the contractor has been substantially late on that, they have finally turned the system over to us, and we are in the process of testing that now.

So I think a lot of progress has, in fact, been made.

CONCLUSION OF SUMMARY

Finally, from a budgetary standpoint, I think what I can tell you is that we like to operate a lean program. Despite the fact of having to absorb pay raises, retirement increases, and a variety of other things, plus the general cost of living over the last 5 years, we've basically operated a level budget with the Minerals Management Service. And that is basically a level budget in actual terms not in indexed terms. From an index standpoint, we have been doing better than general inflation by far.

With that, I am prepared, and my associates are prepared, to attempt to answer any questions you have.

Senator REID. I appreciate it very much, Mr. Bettenberg.

I am going to submit to you a number of questions that we have on a number of different areas, and I would ask for your written response to these. We have some questions dealing with the Outer Continental Shelf [OCS] lands, the California problem that you have touched on very briefly, and the 8(g) tracts. We also need some help with the OCS resource evaluation. We have a number of questions in regards to the OCS regulatory program. We also have a number of questions with royalty management, with Indian royalties, and a series of other royalty questions, which would make the record complete.

GENERAL ADMINISTRATION

The only questions I am going to ask you at this time deal with general administration.

You indicate in the budget justification that an additional 2 staff years and $118,000 will be needed next year within general administration to review and process various appeals. The workload for this area reportedly tripled during 1985 to a backlog of almost 400 cases pending at the beginning of last year.

What was the number of cases at the beginning of this year, 1987?

Mr. BETTENBERG. I don't have the figure for the number as of the beginning of the fiscal year. At the end, the number actually received in 1986 was 600. That compares with 350 the preceding year, 80 the year before that and 46 the year before that. Now a very large part of them are what I would call very routine sorts of appeals. Ultimately we will get some of the issues settled by the courts, and I think a fair number of those will then go away. But the routine ones have to do with assessments for late reporting or erroneous reporting, where we typically will charge $10 per line, because of our costs in making the corrections and dealing with the problems. But there are very many of them that are very difficult and complex issues, and the number of those increased rapidly, as well.

Senator REID. Do you have a reason for that?

Mr. BETTENBERG. The reason is that we are now substantially enforcing the rules that have been in place for a long time but weren't enforced before. Just to give you a good root cause for it, most of the substantive and difficult appeals stem from audit findings. The audit program, as we know it today, was essentially just being put into place in 1982 and 1983. During the first couple of years after the creation of the Minerals Management Service and that program, the auditors were typically shanghaied away for other problems dealing with the error rate, for instance, that I mentioned.

So it is over the last couple of years that we have really gotten into doing a lot of audits. The typical problem that you find in an audit has to do with valuation. The company hasn't valued the product as we think is appropriate. And very frequently, those companies disagree with us as to what the appropriate measure is. That results in appeals to us.

Some of those are at this point beyond us and into the courts. To give you one good example of that, we have taken the position that under what is called a take-or-pay contract, that if a company gets paid for the product, whether or not they actually deliver it, they owe us royalties. We know, from our discovery, that there are a number of companies, at least in the 1970's, that thought they would owe royalty on that as well. But they have taken the position in recent years that that is not the case, that they shouldn't have to pay royalties on it.

We have pursued, fairly vigorously, a number of those cases, and in one particular instance, we have lost a case at the district court level, in, I think the western district of Louisiana. In the eastern district of Louisiana, in a consolidated case against five companies, we have won. That will go to the appeals court before we get it decided. It is an area where we need to get some decided law before we reduce the number of appeals. I think, over time, we will begin to do that, but it is going to take a number of years.

At this point, it is fairly typical for a company to get a bill from us and almost automatically appeal. We just simply were not issuing those bills before.

Senator REID. How many full-time employees are assigned to the appeals review and processing this year?

Mr. BETTENBERG. It is six professional and four clerical positions.

Senator REID. Have you shifted any to this effort this year. Is there an addition, compared to last year?

Mr. BETTENBERG. Yes; in that six, there's one additional that we have added this year. Last year, I think there was probably one that we added as well and probably one clerical, as well.

Senator REID. How many positions are associated with the two additional FTE's requested—to review and process appeals—and at what grade level would these new positions be filled?

Mr. BETTENBERG. Two GM–13 paralegal specialist positions are associated with the two additional FTE's requested in the Division of Ap-

peals. The salary for each of these specialists is estimated at $46,500, with the remainder of the total $118,000 increase to cover personnel benefits, supplies, equipment, and travel for these two positions.

IMPACT OF PAY RAISE AND NEW FEDERAL RETIREMENT SYSTEM

Senator REID. The Service will experience a total of $3,147,000 in additional costs in fiscal year 1987, due to the pay raise and the new Federal retirement program. Even though these costs are not originally budgeted, it is the administration's position that the full amount can be absorbed within available funds with no adverse impact; is that correct?

Mr. BETTENBERG. I would not say without adverse impact, but we are making every effort to absorb those costs. We do, in fact, have some particular difficulties that we are still trying to work out with regard to the Royalty Management Program.

Senator REID. An impact statement provided to the subcommittee by the Department indicates that there could be some delay in measures to improve efficiency of the OCS computer operations, as well as some possible delay in royalty management exception processing contracts, as a result of the requirement to absorb the pay and retirement costs.

Mr. BETTENBERG. Those are some of the adverse impacts that are resulting; yes.

Senator REID. Do you have any assurance, can you give us any assurance that these delays will not cost the taxpayer more than 10 percent of the amount which they are being used to offset?

Mr. BETTENBERG. In the case of the offshore program, I think that I probably can provide that assurance. With regard to the exception processing, I probably cannot provide that assurance. The exception processing operation is, in fact, a money-making operation.

Senator REID. Chairman Burdick has some questions that he wants to ask. He should be here shortly.

So if you would agree to allowing the next witnesses to come forward, and when Senator Burdick comes back, we will hear from him.

Thank you very much for your time.

Mr. BETTENBERG. Yes; thank you.

DEPARTMENT OF EDUCATION

OFFICE OF INDIAN EDUCATION

STATEMENT OF HON. LAWRENCE F. DAVENPORT, ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION

ACCOMPANIED BY:

HAKIM KHAN, ACTING DIRECTOR, INDIAN EDUCATION PROGRAM

SALLY H. CHRISTENSEN, DIRECTOR, BUDGET SERVICE, OFFICE OF PLANNING, BUDGET AND EVALUATION, DEPARTMENT OF EDUCATION

THOMAS M. CORWIN, ACTING DIRECTOR, DIVISION OF ELEMENTARY, SECONDARY, AND VOCATIONAL ANALYSIS, OFFICE OF PLANNING, BUDGET AND EVALUATION, DEPARTMENT OF EDUCATION

INTRODUCTION OF ASSOCIATES

Senator REID. The next witnesses deal with the Department of Education for Indian education, the fiscal 1988 budget request.

The witnesses appearing before this subcommittee will be the Assistant Secretary for Elementary and Secondary Education, Lawrence F. Davenport.

Mr. Davenport.

Mr. DAVENPORT. Thank you, Mr. Chairman.

Senator REID. Would you be kind enough to identify those people that are with you.

Mr. DAVENPORT. To my right is Hakim Khan, Acting Director, Indian education. To my immediate left, Sally Christensen, Director, Budget Service, Office of Planning, Budget and Evaluation. To my far left is Thomas Corwin, Acting Director, Division of Elementary, Secondary, and Vocational Analysis, Office of Planning, Budget and Evaluation.

Senator REID. On behalf of the full committee and especially the subcommittee, I take this opportunity to express to you our appreciation for rearranging your schedule, so that you could come in today rather than later in the week.

We have your testimony in its entirety. That will be made a part of the record for the committee.

It would be appreciated if you would, at this time, summarize your testimony for purposes of preparing for questions from the committee.

SUMMARY STATEMENT

Mr. DAVENPORT. Thank you, Mr. Chairman, and members of the committee. We appreciate this opportunity to appear before you to discuss the 1988 budget request for Indian education programs. We are requesting $64,234,000 for fiscal year 1988, an increase of $198,000 above the fiscal year 1987 appropriation. Our 1988 budget proposes to continue overall funding at the same level as 1987 for program activities and to seek a small increase in administration funds, primarily for built-in costs. For the part A program, the Department proposes to focus more funds on the formula grant programs within an overall request at the 1987 level, by reducing the part A set-aside for discretionary grants for Indian-controlled schools.

This reallocation would continue the trend begun in 1987 toward equalizing per pupil expenditures under the LEA formula program with comparable expenditures under the set-aside program for Indian-controlled schools. The formula funds made available by reducing the discretionary awards will enable the Department to increase per pupil awards to local educational agencies or to serve additional Indian children in the public schools.

PREPARED STATEMENT

My colleagues and I will be happy to respond to any questions.
[The statement follows:]

STATEMENT OF LAWRENCE F. DAVENPORT

We appreciate this opportunity to appear before you to discuss the 1988 budget request for the Indian Education programs. We are requesting $64,234,000 for fiscal year 1988, an increase of $198,000 above the fiscal year 1987 appropriation.

Our 1988 budget policy is to continue overall funding at the same level as 1987 for program activities and to seek a small increase in administration funds, primarily for built-in costs. For the Part A program, the Department proposes to focus more funds on the formula grant program within an overall request at the 1987 level by reducing the Part A set-aside for discretionary grants to Indian-controlled schools. This reallocation would continue the trend, begun in 1987, toward equalizing per pupil expenditures under the LEA formula program with comparable expenditures under the set-aside program for Indian-controlled schools. The formula funds made available by reducing the discretionary awards will enable the Department to increase per pupil awards to local educational agencies or to serve additional Indian children in the public schools.

Part A: Grants to Local Educational Agencies and Indian-Controlled Schools

Part A is the largest component of the Indian Education programs, reaching the majority of the Nation's Indian students in elementary and secondary schools. The budget request for 1988 for Part A programs is $47,200,000, the same as the 1987 appropriation. This program supports educational services for Indian students in public schools, Bureau of Indian Affairs (BIA) contract schools, and Indian-controlled schools. Grants are made on a formula basis to local educational agencies (LEAs) and BIA contract schools. Grants are also made on a competitive basis to Indian-controlled schools (ICSs) that, with certain exceptions, must be located on or near reservations and be operated by Indian tribes or organizations. Most Indian-controlled schools are BIA contract schools.

Formula grant recipients must use Part A funds for activities that supplement the regular school program. Projects provide such services as: remedial reading and mathematics, counseling and guidance, language instruction and tutoring, and Indian cultural and heritage activities. Discretionary grant recipients may use funds to establish a school (although this activity has not been funded for three years) or to develop special enrichment programs that supplement an already established program.

Although the total requested funding for Part A is the same as the 1987 level, the 1988 proposal would shift $640,000 from the discretionary grant portion of the program to the formula grant portion. By increasing Part A funding for formula grants and reducing discretionary grants, the Department can achieve two objectives.

First, the reallocation of funds between the two programs will continue the trend toward equalizing Federal per-pupil funding for public schools and Indian-controlled schools. Recent studies have have found that, on average, Indian-controlled schools receive much

higher per-pupil revenues than public schools for their Indian children. While per-pupil Part A grants for fiscal years 1985-86 for Indian students in Indian-controlled schools are as much as $3,000 and average over $700, comparable expenditures for Indian students in public schools have not exceeded $140.

Second, the increase for the formula program will accommodate increases in the eligible student population that may occur as a result of the BIA initiative to encourage the transfer of the administration of BIA-operated schools to tribal or public school systems. At the requested level of $44,340,000, the formula program could absorb up to 7,000 additional children in 1988 and still maintain the average Federal per pupil expenditure at approximately the 1987 level.

In 1988, some 1,160 LEAs and BIA contract schools are expected to serve about 243,000 Indian children under the formula program, and 33 ICSs receiving discretionary awards are expected to serve 5,900 children.

Part B: Special Programs for Indian Students

The budget request for Part B is $11,568,000, the same as the 1987 appropriation. Of the six programs that comprise Part B, two are designed to increase educational opportunities, improve educational quality, and encourage planning and developmental efforts aimed at improved curriculum and other services for Indian children. Three programs are designed to help Indian students enter professional careers, in education as well as other fields. The sixth program supports resource and evaluation centers that work to upgrade the quality of all Indian education programs.

Under the 1988 request, each of these programs would be continued at its 1987 level. Our request would allow funding of an estimated 71 discretionary projects that would serve almost 13,000 students, train over 600 educational personnel, support 208 fellowship recipients, and continue the five resource and evaluation centers.

Part C: Special Programs for Indian Adults

Under Part C of the Act, $3,000,000 is requested to support basic education programs for Indian adults. These programs seek to find and serve traditionally hard-to-reach Indians, both in remote areas on and off reservations and in isolated pockets of poverty within our cities. No major changes in Part C strategy or funding distribution are proposed for 1988. The request would fund 29 educational service grants serving approximately 9,600 Indian adults.

Program Administration

For fiscal year 1988, $2,180,000 is requested to cover administrative costs of the Indian Education Programs office. This is an increase of $165,000 over 1987, most of it for built-in personnel costs, with smaller increases for travel, rental charges, and an improved project profile system to plan, monitor, and report on project awards.

For the National Advisory Council on Indian Education, $286,000 is requested for 1988, an increase of $33,000 over 1987. The bulk of this increase would be used for built-in personnel costs, with additional travel funds provided for meetings with tribal representatives.

Although the Indian Education Act is currently authorized through fiscal year 1989, the Chairman of the House Education and Labor Committee has announced that the Committee will begin work on a reauthorization proposal this year, as part of an omnibus elementary and secondary education measure. The Department is considering a legislative proposal that will respond to Congressional efforts underway. At this time, we do not envision making any major changes in the current program structure.

My colleagues and I will be happy to respond to any questions you may have.

Biography of Lawrence F. Davenport

POSITION	:	Assistant Secretary for Elementary and Secondary Education
BIRTHPLACE AND DATE	:	Lansing, Michigan, October 13, 1944
EDUCATION	:	Michigan State University, 1966, B.A. Michigan State University, 1968, M.A. Fairleigh Dickinson University, 1975, Ed.D.
EXPERIENCE		
PRESENT	:	Assistant Secretary for Elementary and Secondary Education
1981-1982	:	Associate Director for Domestic and Anti-Poverty Operations, ACTION
1979-1981	:	Provost, San Diego Community College District
1974-1979	:	President, San Diego Community College Educational Cultural Complex
1972-1974	:	Vice President for Development, Tuskegee Institute
1972-1972	:	Assistant Dean for Special Projects, the University of Michigan-Flint
1969-1972	:	Director of Special Projects, the University of Michigan-Flint
1968-1969	:	Assistant Director of Student Activities, Lansing Community College

RATIONALE FOR SHIFT OF FUNDS

Senator REID. Thank you.

Your statement indicates that in fiscal year 1988, the Department plans to focus more funds on the Formula Grant Program by reducing the set-aside for discretionary grants to Indian-controlled schools. You are proposing to reduce these grants to Indian-controlled schools from $3.5 million to $2.9 million. This reduction of about $640,000 would be added to the formula grants to local education agencies for a total of $40.3 million in that area. If these calculations are correct, in fiscal year 1987, 237,000 children were served in grants to local education agencies, for a total of $184 per student. In fiscal year 1988, you are proposing to provide services for some 243,000 children at about $2 less per student, by increasing the formula grant amount by $640,000.

Meanwhile, to pay for this, you are proposing that grant awards to Indian-controlled schools be reduced from $3.5 million to $2.9 million, using your estimate of the justification of 5,900 children to be served in these Indian-controlled schools, I calculate a net reduction of 18 percent in the amount of the Federal share per child.

Some find it difficult to support a policy which takes an 18-percent cut against the students in Indian-controlled schools from $593 per student to $485 per student, just so that other students can be funded in the local educational agency program.

After this long introduction, why have you proposed this shift of funds?

Mr. DAVENPORT. The basic education programs for Indian children in the public schools are paid for by State and local revenues. Basic programs for children in most Indian-controlled schools are paid for by the BIA. Funds under part A of the Indian Education Act are intended to provide supplemental educational services for Indian children, no matter where they go to school, yet in 1986, part A funds to public schools amounted to about $184 per student, while part A discretionary funds to Indian-controlled schools amounted to $655 per student.

Furthermore, most Indian-controlled schools that received discretionary grants also received part A formula grants.

In addition, the overall average per-student expenditures for Indian-controlled schools have been found by several studies, including one by the Department and one by the House Appropriations Committee, surveys and investigative staff, to be much higher than in the public schools enrolling Indian children. Many of these schools are also receiving funds under part B of the Indian Education Act, chapter 1, bilingual education, and education for the handicapped programs, in addition to their BIA and part A funds.

In view of this disparity, we are proposing to redirect funds gradually, over the next several years, so that the part A payments will be made on a more equitable basis for the two groups of students.

Senator REID. Could you tell me what special learning disabilities have been discovered at the Indian-controlled schools which might indicate a greater need at these schools rather than a lesser need?

Mr. DAVENPORT. No, sir; I could prepare something for the record.
Senator REID. I would appreciate that.
[The information follows:]

SPECIAL LEARNING DISABILITIES

No national data are available comparing the incidence of learning disabilities among children attending Indian-controlled schools versus the incidence among children at comparable schools. The Abt study, in looking at educational attainment, found that there were no significant differences between average test scores of ICS students, Indians at nearby public schools, and a national sample of Indian high school seniors.

ACHIEVEMENT LEVELS

Senator REID. Do you have any data on achievement scores at the Indian-controlled schools?

Mr. DAVENPORT. Yes, sir.

Senator REID. Would you help me with that?

Mr. DAVENPORT. In the study of 25 Indian-controlled schools and 16 comparison schools, including testing of 8th and 12th grade students, Abt Associates found that most of the Indian-controlled school students in the study performed in a low to low-average range compared to students of all races for whom national data are available; however their scores are similar to those of Indian students nationally.

School level achievement varies considerably among Indian-controlled schools. The highest achievement schools have average scores that match the national average for students of all races.

Third, the average college bound senior from Indian-controlled schools scored slightly lower than the average college bound Indian senior in the national study of high school and beyond; however, a higher percentage of seniors in the Abt study expected to attend college, and this may account for their lower average score.

Senator REID. We will have some more questions to submit to you in writing in this regard, in an effort to try to understand the 18-percent cut, and we would appreciate your responding to those as soon as you could.

NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

The House report accompanying the fiscal year 1987 Interior appropriations bill carried the following passage regarding the National Advisory Council on Indian Education [NACIE]: "NACIE is to be an active participant in the formulation of any new legislative proposal and its dissemination."

Since that report was issued in July of last year, has the Department formulated any new legislative proposals?

Mr. DAVENPORT. The Department is considering legislative proposals that will respond to efforts underway in Congress to reauthorize the act. We do not have a firm proposal, and at this time, do not intend to propose more than minor modifications in the existing program.

Senator REID. In what way was NACIE involved in the drafting?

Mr. DAVENPORT. We wrote to the National Advisory Council on January 9 to request Council ideas on how the current programs might be improved through reauthorization. The Council informed us that it would place our request on the agenda for its January 27–28 meeting, and it would report back to us after due deliberation. At this time, we have not received the Council's recommendations, but we have been assured that they will be provided us within the next 1 to 2 weeks.

Senator REID. Do you involve the National Advisory Council as an active participant in the development of regulations, as well as the formulation of legislative proposals? If not, why not?

Mr. DAVENPORT. Although we are not permitted to share draft statutory language with NACIE before the language is cleared by OMB, we do everything we can, short of that, to make the Council an active participant in our legislative development process, and we will continue to do so in the future.

LAST YEAR'S PROPOSALS

Senator REID. At last year's hearings, you discussed the termination of the Johnson-O'Malley program, which is operated by the Bureau of Indian Affairs. You also discussed the termination of the current part A program, which provides grants to local educational agencies and Indian-controlled schools. You discussed the merger of these two programs into a program of grants to State education agencies.

What was the reaction in the National Advisory Council on Indian Education to this proposal?

Mr. DAVENPORT. In the early developmental stages of last year's proposal, the chairman of NACIE testified before the House Appropriations Committee in opposition to any legislative proposal that would bring about any restructuring of the act. Subsequently, however, the Council took the proposal under consideration and took part in meetings that the Department conducted in the field to take comments from the Indian community.

Senator REID. Are you planning to reintroduce this proposal or a modified version of it?

Mr. DAVENPORT. No, sir; we are not planning to reintroduce this proposal in 1988. We are considering a legislative proposal that responds to efforts underway in Congress to reauthorize the act. We do not plan to propose merging the part A and the Johnson-O'Malley programs, or converting part A to a State grant program.

RELATIONSHIP TO BUREAU OF INDIAN AFFAIRS INITIATIVE

Senator REID. What, if any, relationship does your proposal to decrease funding for Indian-controlled schools have to possible changes in education programs at the Bureau of Indian Affairs?

Mr. DAVENPORT. In part, our proposal is directly related to the BIA initiative, because as more Indian children attend either tribal, contract or public schools, there will be more children eligible for our Formula Grant Program. By shifting funds from part A discretionary programs

to the formula program, we would be able to serve up to 7,000 additional Indian children in 1988 at approximately the same per pupil Federal contribution as in 1987.

Senator REID. What will be the effect if Congress doesn't accept the program suggestions of the Bureau of Indian Affairs?

Mr. DAVENPORT. Even if the BIA plan is not carried forward, we plan to shift these funds, because our goal is to equalize, over time, per pupil expenditures in the formula grant and discretionary grant programs.

NEW REGULATIONS

Senator REID. There's been concern expressed about proposed new regulations for the Indian education program regarding eligibility.

Would you explain to the committee why the new regulations are necessary?

Mr. DAVENPORT. The new regulations will not change eligibility requirements. These are contained in the definition of "Indian" in the act; however, the regulations will provide the first complete explanation of what documentation is needed for certification of a child as "Indian" or "Alaska Native." Issuance of these regulations is necessary because annual program reviews have shown that many school districts are not keeping accurate and complete documentation on file for these children.

In November 1985, the Department of Education sent a letter to all superintendents of school districts receiving part A formula grants to outline requirements for proof of Indian student eligibility. The Department intended to make these requirements apply to the fiscal year 1986 grant cycle.

In January 1986, Congressman Hawkins and Senator Andrews, while expressing support for the Department's efforts to monitor eligibility for this program, expressed concern that the Department's requirements appeared to violate the letter and intent of the statute and that any such requirements should be issued through the proper regulatory procedures.

On February 7, the Congress passed a concurrent resolution restraining the Department from implementing these eligibility requirements in the 1986 grant cycle.

In May 1986, Mr. Chairman, the Secretary sent a letter informing Congressman Hawkins and Senator Andrews that the regulations relating to the documentation of eligibility would be promulgated as soon as possible to apply to the 1987 grant awards. When Congress passed the continuing resolution, Public Law 99–500, for 1987 in October 1986, language was included to state, "that funds appropriated for fiscal year 1987 under this or any other act, to carry out part A of title IV of Public Law 92–318 shall be distributed under the same proof of eligibility requirements as applied in fiscal year 1986." This action was taken because the Congress did not believe there was sufficient time for the proposed regulations to be published and disseminated to local school districts and for LEA's to thoroughly review them.

The Department is now in the final stages of producing these regulations and plans to have them published for comment this spring. Final regulations shall be in place in the summer of 1987 and will apply to fiscal year 1988 funds.

The applications for fiscal 1988 funds must be received by the Department by February 1988.

DOCUMENTATION

Mr. Chairman, Chairman Kildee held a hearing in the House at which Indian witnesses testified and proposed many different items for consideration as documentation for eligibility. These include a written certification of the membership of the child, the child's parents, or grandparents by an authorized representative of the tribe, band or other organized group of Indians; a copy of a tribal voter registration card; copy of a tribal membership card; a tribal census number for a child or the child's parents or grandparents; a copy of an Indian Health Service beneficiary identification card; a certificate of degree of Indian blood by the Department of the Interior; a certificate of an authorized representative of an adoption or a foster care agency; evidence that the child or the child's parents or grandparents receive benefits from the State in which the individual resides, based upon a State's determination that the individual is a member of an Indian tribe, band or otherwise organized group.

I think you would agree that these are all very reasonable, and that a district can, if it wants to, meet those conditions.

ADDITIONAL COMMITTEE QUESTIONS

Senator REID. I thank you for your testimony.

We have some other questions that we will submit in writing.

I also have some questions that have been submitted by Senator Thad Cochran, which we will submit to you for your review, and if you would submit the answers to us.

Mr. DAVENPORT. Thank you.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

LIST OF INDIAN-CONTROLLED SCHOOLS

Question. I note that there are about 76 Indian-controlled schools in the Nation. You received applications from 49 and made 33 discretionary awards under Part A of the Indian Education Act. Please provide for the record, a list of these schools, their location, and the number of children served in each school.

Answer. A listing indicating the name of each school, the State in which it is located, whether it is a boarding school, the grade span of its students, the funding, and the number of students served by the BIA and by Part A of the Indian Education Act is attached:

			BIA		PART A FORMULA	
STATE	SCHOOL	BOARDING GRADE LEVELS 1986-87	(ADM) ISEP+CONTRACT SUPP	STUDENTS (ENR)	FUNDING	
SD	RED SCAFFOLD SCHOOL	K - 9	74	$305,900	90	$5,806
SD	LOWER BRULE DAY SCHOOL	K - 9	188	$706,500	197	$21,465
AZ	CIBECUE COMMUNITY SCHOOL	K - 9	197	$756,242	206	$22,997
FL	AHFACHKEE DAY SCHOOL	K - 6	48	$140,500	--	--
ND	TURTLE MOUNTAIN COMMUNITY HIGH	9 - 12	365	$1,405,200	--	--
MN	FOND DU LAC OJIBWAY SCHOOL	7 - 12	87	$437,500	150	$20,666
MT	BUSBY SCHOOL	K - 9	204	$852,300	260	$38,026
WI	ONEIDA TRIBAL SCHOOL	K - 8	147	$465,200	150	$21,384
NM	ALAMO NAVAJO SCHOOL	K - 12	363	$1,177,730	311	$36,953
SD	CRAZY HORSE SCHOOL	K - 12	296	$1,100,178	325	$35,412
ME	INDIAN TOWNSHIP SCHOOL	K - 8	95	$300,900	90	$9,861
MN	CHIEF BUG-O-NAY-GE SHIG SCHOOL	K - 12	308	$1,169,100	253	$34,856
SD	WANDERSON DAY SCHOOL	K - 8	181	$576,500	--	--
AZ	HAVASUPAI SCHOOL	K - 8	76	$248,200	71	$7,926
AZ	HOTEVILLA BACAVI COMMUNITY SCH	K - 8	99	$355,100	--	--
SD	ST. FRANCIS INDIAN SCHOOL	K - 12	439	$1,255,900	420	$45,763
WA	LUMMI TRIBAL SCHOOL	K - 8	76	$312,900	101	$14,202
WY	ST. STEPHEN'S INDIAN SCHOOL	K - 12	322	$953,300	314	$57,634
ME	BEATRICE RAFFERTY SCH/PLEAS PT	K - 8	135	$401,100	127	$13,915
ME	INDIAN ISLAND SCHOOL	K - 6	86	$269,100	82	$8,985
ND	MANDAREE DAY SCHOOL	K - 12	182	$581,300	--	--
IA	SAC & FOX SETTLEMENT SCHOOL	K - 5	74	$271,900	97	$12,888
SD	PORCUPINE DAY SCHOOL	K - 8	75	$273,200	102	$11,114
MN	HEART OF THE EARTH SURV SCH	K - 12	--	--	--	--
MT	ROCKY BOY TRIBAL HIGH	9 - 12	81	$315,600	--	--
KS	KICKAPOO NATION SCHOOL	K - 12	80	$365,900	80	$10,661
AZ	LITTLE SINGER COMMUNITY SCHOOL	K - 8	49	$339,800	56	$6,252
WA	QUILEUTE TRIBAL SCHOOL	K - 8	52	$208,700	65	$9,140
MT	TWO EAGLE RIVER SCHOOL	9 - 12	55	$316,900	68	$9,945
AZ	BLACK MESA COMMUNITY SCHOOL	K - 8	52	$303,900	43	$4,800
WA	PASCHAL SHERMAN INDIAN SCHOOL	K - 9	93	$782,100	134	$18,842
ND	TWIN BUTTES DAY SCHOOL	K - 8	46	$271,000	--	--
NM	NAVAJO MISSION ACADEMY	9 - 12	219	$1,378,900	235	$27,923
NV	DUCKWATER SHOSHONE ELEM SCHOOL	K - 8	15	$99,300	28	$3,057
MI	HANNAHVILLE INDIAN SCHOOL	K - 12	85	$408,600	91	$13,313
ID	SHOSHONE-BANNOCK ALTERNATE SCH	7 - 12	38	$297,700	66	$5,841
WA	MUCKLESHOOT INDIAN TRIBE	K - 2	19	$60,788	20	$2,812
FL	MICCOSUKEE INDIAN SCHOOL	K - 9	52	$310,200	73	$8,686
NV	PYRAMID LAKE HIGH SCHOOL	9 - 12	50	$246,850	50	$5,458
WA	YAKIMA TRIBAL SCHOOL	7 - 12	50	$341,000	66	$9,280
WI	LAC COURTE OREILLES OJIBWA SCH	K - 12	157	$738,400	195	$27,799
SD	ENEMY SWIM DAY SCHOOL	K - 3	25	$150,500	30	$3,269
WA	WAH-HE-LUTE INDIAN SCHOOL	K - 8	28	$170,700	37	$5,203
ND	OJIBWAY INDIAN SCHOOL	K - 8	349	$1,303,900	340	$41,779
MN	NAY-AH-SHING SCHOOL	7 - 12	37	$168,900	34	$4,684
MD	THEODORE JAMERSON SCHOOL	PK - 8	80	$286,200	86	$10,568
NM	DIBE YAZHI/BORREGO PASS SCHOOL	K - 6	206	$958,700	197	$23,406
ID	COEUR D'ALENE TRIBAL SCHOOL	K - 8	55	$323,800	75	$6,638
MN	CIRCLE OF LIFE SURVIVAL SCHOOL	K - 12	83	$375,000	90	$12,399

STATE	SCHOOL	BOARDING	GRADE LEVELS	BIA 1986-87 (ADM)	BIA ISEP+CONTRACT SUPP	PART A FORMULA STUDENTS(ENR)	PART A FORMULA FUNDING
OK	CHOCTAW JDM		PK - 3	—	—	—	—
AZ	BLACKWATER COMMUNITY SCHOOL		K - 2	53	$137,400	87	$4,712
SD	LITTLE WOUND DAY SCHOOL		K - 12	510	$1,713,200	705	$76,816
NM	RED SCHOOL HOUSE		K - 12	—	—	—	—
NM	A SCHOOL FOR ME, INC.		NON-GRADED	—	—	44	$5,228
SD	SISSETON-WAHPETON/TIOSPA ZINA		K - 12	198	$121,960	163	$17,760
NM	CHARLES REMK ELEM SCHOOL		K	60	$93,200	—	—
NM	SHIPROCK ALTERNATIVE HIGH SCH		9 - 12	108	$650,300	635	$75,451
SD	SISSETON-WAHPETON SCHOOL BOARD		PK	—	—	—	—
OK	NATIVE AMERICAN CENTER		K - 12	—	—	—	—
AK	KASHUNAMUIT SCH DIST		K - 12	—	—	—	—
SD	PIERRE INDIAN LEARNING CENTER	B	1 - 8	188	$1,382,600	180	$19,613
NM	SHIPROCK DORMITORY	B	7 - 12	55	$421,949	—	—
AZ	TUBA CITY HIGH	B	9 - 12	451	$3,157,146	—	—
NM	SANTA FE INDIAN SCHOOL	B	7 - 12	483	$3,112,300	498	$59,173
SD	CROW CREEK RESERVATION HIGH	B	7 - 12	151	$1,003,000	165	$17,978
AZ	ROUGH ROCK DEMONSTRATION SCH	B	K - 12	382	$1,909,400	386	$43,092
SD	MARTY INDIAN SCHOOL	B	K - 12	276	$1,517,750	351	$38,245
NM	PINE HILL/RAMAH NAVAJO	B	K - 12	367	$1,691,900	384	$45,627
AZ	LEUPP BOARDING SCHOOL	B	K - 9	371	$1,672,800	380	$42,422
OK	SEQUOYAH HIGH SCHOOL	B	9 - 12	199	$1,077,952	243	$28,400
OK	JONES ACADEMY	B	1 - 12	190	$856,334	—	—
AZ	ROCK POINT COMMUNITY SCHOOL	B	K - 12	438	$1,703,500	426	$47,558
WA	PUYALLUP NATION ED SYSTEM	B	K - 12	146	$516,800	143	$20,108
OK	CARTER SEMINARY	B	1 - 12	143	$493,598	—	—
OK	EUFAULA DORMITORY	B	1 - 12	136	$501,414	—	—
AZ	FLAGSTAFF DORMITORY	B	9 - 12	112	$406,900	—	—
		76	TOTALS	11180	$49,040,491	10295	$1,237,793

REDUCTION IN PER-STUDENT FEDERAL SHARE

Question. What factors did the Department take into consideration in proposing an 18 percent reduction in the amount of the Federal share per child? Were the size of the school, the remote geographical location, or any measures of need taken into consideration? Provide for the record any such data used in this assessment.

Answer. The shift in funding from the set-aside program to the formula program is proposed in order to achieve more equitable per-pupil funding levels for the LEA and Indian-controlled schools (ICS). The Abt Study, which compared expenditures of Indian-controlled schools with those of comparable schools, found a much higher average expenditure level in the ICSs. The Department does take need into consideration in awarding discretionary grants under the set-aside program.

Question. What are the views of the National Advisory Council on Indian Education with respect to this reduction?

Answer. The National Advisory Council on Indian Education does not agree with the Department's proposal to shift funds. The Council submitted testimony in opposition to this transfer on March 20 before the House Appropriations Subcommittee for Interior and Related Agencies. They expressed their position as follows:

"The National Advisory Council on Indian Education opposes the transfer which would result in a reduction of funds for grants to Indian-controlled schools under Title IV, Part A. Any

reduction of funding for Indian-controlled schools is in opposition to the Administration's and Congress' policy of promoting Indian local control of education as is implicit in statutes such as P.L. 93-638, Indian Self-Determination and Education Assistance Act: P.L. 92-318, The Indian Education Act of 1972; and, P.L. 95-561, The Education Amendments of 1978."

"The National Advisory Council on Indian Education lauds the progress that many Indian tribes are making in assuring more local school control."

INCREASED ADMINISTRATIVE COSTS

Question. In the program fact sheet submitted to the Committee, the Department indicates that it plans to spend $2.5 million in fiscal year 1988 to support 50 FTE and ongoing operations for the Office of Indian Education and the National Advisory Council on Indian Education. By my calculations, this comes to $50,000 per person, up $4,000 per person from the previous year.

How do you explain the $4,000 increase per person, at a time when you are recommending an 18 percent cutback in per-pupil grants to Indian-controlled schools?

Answer. The Department is requesting an increase of $198,000 in 1988 for administrative expenditures. Almost 50 percent of this amount, $90,000, is for the extra costs of the new retirement system (initiated by the Federal Retirement Systems Act of 1986). An additional 14 percent, or about $28,000, is for other mandatory items, such as the extra paid day in 1988 and within-grade increases Other increases include $33,000 for travel and $28,000 to cover the developmental costs of a new project profile system.

NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

Question. When the Department developed its legislative proposal, was the Council involved at the outset, or only after the fact--after the shape and scope of the legislation were largely determined by the Department of Education staff?

Answer. We wrote to NACIE on January 9, 1987, requesting their ideas on how the current programs might be improved. NACIE responded on March 23 to recommend, among other things, that the Indian Education Act be reauthorized and its programs funded at a level to compensate for inflation; that the Indian Education programs not be changed without consultation with the Indian community and without substantiating research; that the Office of Indian Education be a separate agency within the Department reporting directly to the Secretary of Education; that the programs be staffed by qualified Indian educators and that discretionary projects be evaluated by qualified Indian panel reviewers; and that the Indian eligibility requirements for participation in the program be strengthened. The Department in developing its proposed legislation considered these recommendations and incorporated some of them. The Department values the advice and counsel of NACIE and will consult with the Council on the development of proposals affecting the Indian Education Act.

Question. Who saw the draft legislation first, the Office Management and Budget, the Department, or the National Advisory Council on Indian Education?

Answer. Staff in the Department of Education developed the draft legislation. Ideas were sought from the National Council, and some of them were incorporated into the draft legislation. The draft legislation will now be sent to the Office of Management and Budget for their review and clearance.

PARTICIPATION OF NACIE

Question. Do you consider that the Advisory Council was an "active participant" as directed in the Committee report, or did the Department merely consult with the National Advisory Council?

Answer. Although we are not permitted to share draft statutory language with NACIE before that language is cleared by OMB, we do everything we can--short of that--to make the Council an "active participant" in our legislative development process. We will continue with this policy in the future.

CERTIFICATION OF INDIAN STUDENTS

Question. I am advised that the January 6, 1987, issue of the Federal Register contained a notice that the Indian Student Certification Form is being revised. When do you plan to publish revised regulations?

Answer. We expect to publish the eligibility regulations this spring for public comment and to have them published in final this summer.

Question. There are some concerns that the Department is planning to issue this form and collect information before publishing regulations. Is this true?

Answer. No. The revised form will be published with the regulations so that the public can comment on it as well as on the regulations.

ELIGIBILITY REGULATIONS

Question. What are the views of the National Advisory Council on Indian Education with regard to the new eligibility regulations?

Answer. The National Advisory Council has not seen the proposed regulations and does not think it advisable to comment until the members have a chance to review them.

ADULT EDUCATION

Question. Last year you indicated that the Part C program, which provides adult education for Indians, does not duplicate the

programs of the Bureau of Indian Affairs. Is this still your view? Please elaborate for the record.

Answer. Yes, this is still our view. This view is borne out by the 1984 Pelavin Associates study of Part C which found "little duplication of services...between Part C projects and those funded by other Federal programs such as State grants for adult education or adult education programs funded by the Bureau of Indian Affairs." One difference is that the Part C program provides adult education services to Indians living in urban areas and to members of non-federally recognized tribes. The BIA does not.

Question. What kinds of statistics do you have to support the success of the program, including GED completion rates?

Answer. GED completion rates are difficult to measure. Pelavin Associates reported that of 1,210 participants enrolled in GED preparation classes in 1982-83, 443 passed the high school equivalency exam that year, for a yearly average completion rate of 37 percent. This does not mean, however, that the remainder failed the examination. Many of them probably needed additional coursework and took and passed the exam the following year.

PERMANENT DIRECTOR FOR INDIAN EDUCATION

Question. You have had an Acting Director of Indian Education for over a year now. What progress has been made toward appointing a permanent director?

Answer. In 1985, the National Advisory Council on Indian Education submited a slate of three individuals it recommended for consideration for the position of Director of the Indian Education office. Because of allegations made by a member of the Council, action on the appointment was put on hold while the Inspector General conducted an investigation.

While the investigation was being completed, the period allotted by the Office of Personnel Management for consideration of the three recommendations expired. In December 1986, the Under Secretary instructed the Department's personnel office to begin work on a new competition. A new announcement of the availability of this position was issued February 2, 1987. By March 20, when the announcement terminated, some 30 applications had been received. These applications will be evaluated and NACIE will be invited to make recommendations.

Question. NACIE has twice recommended Dr. Hakim Khan, acting director of the Office of Indian Education, to be Director. Why was he not selected?

Answer. The selection of a permanent Director of the Office of Indian Education was held up by the need to investigate the allegations made by a member of the Council. Now that the investigation has been completed, and new applications requested, the selection process has begun again. The Department will consider any applicant recommended by NACIE.

ATTITUDE OF THE INDIAN COMMUNITY

Question. You mentioned in your Congressional Justification document that several field meeting were held with members of the Indian community last year on proposed revisions to the Indian Education Act. What were your impressions from these meetings?

Answer. In general, the comments put forward followed four general themes: (1) The Title IV and Johnson-O'Malley programs do not overlap and should be maintained seperately; (2) States generally do not work well with the tribes and should not be given control over funding for local programs; (3) State grants would violate tribal sovereignity and the Federal-tribal relationship; and (4) the Part B programs address important needs and should be continued. These points were made most frequently by local program personnel, tribal representatives, and Part B recipients. There was fairly wide agreement that the Resource and Evaluation Centers were working well and should be continued. Many of the participants felt that the responsibilities of the National Advisory Council on Indian Education should not be diminished.

Finally, there was some feeling that the Federal government (Department of Education, Bureau of Indian Affairs, etc.) did not consult enough with the Indian tribes before taking action.

DURATION OF INDIAN EDUCATION AWARDS

Question. In view of the lead time required to develop good programs, operate them efficiently, and learn from them, why doesn't the Indian Education Program make multi-year discretionary awards?

Answer. Most of the Indian Education discretionary awards in 1987 are being made for more than one year. The only exception is the Planning grant program. The Department believes that one year is all that is necessary for a planning grant. The Pilot, Demonstration, and Educational Services awards are for up to two years as are the two Educational Personnel Development programs. The Department is not, at this time, providing for longer project funding since we believe that two years is sufficient to develop and put into operation a worthwhile project. After that long a period, the grantees should be able to suport the program themselves, if they deem it worthwhile.

QUESTIONS SUBMITTED BY SENATOR JAMES A. MCCLURE

PROOF OF ELIGIBILITY

Question. In fiscal year 1987, Congress included bill language requiring that funds appropriated in fiscal year 1987 for part A of the Indian education Act be distributed under the same proof of eligibility as applied in fiscal year 1986.

This language was included to allow school districts to have an opportunity to review new eligibility requirements being proposed in regulations.

Since the final regulations are scheduled to be published in final form by June of this year, the Administration has not requested this language in fiscal 1988.

Have States had an opportunity to become familiar with these proposed regulations?

Answer. The regulations which provide the first complete explanation of the documentation which is needed for certification of a child as "Indian" or "Alaskan Native" will be published in the Federal Register for comment this spring. The State and local education agencies (LEAs) have not yet seen them.

Question. What sort of response have you received from States?

Answer. Since the States have not yet had a chance to review and analyze the proposed regulations, there have been no responses. After the proposed regulations are published in the Federal Register and we receive public comments, we will incorporate any necessary revisions and put out the final regulations in the summer of 1987. Since the LEAs do not submit their applications until February of 1988, there will be sufficient time for them to become familiar with the proposed regulations.

Question. Have the proposed changes in these eligibility requirements been formulated into the fiscal year 1988 budget?

Answer. The proposed changes in the Title IV regulations for LEAs do not change any eligibility requirements, but rather clarify what documentation is required for certification. They do not affect the 1988 budget request.

COMPLIANCE EFFORTS

Question. Since 1982, the number of complete student eligibility files held by Part A grantees has dropped from 40 percent to perhaps as low as 15 percent in 1984.

What is the Department doing to increase this compliance?

Answer. The Department required LEAs that: (a) have no forms on file; or (b) have forms with missing information to provide a completed Indian Student Certification Form for each student counted for funding under Part A. In 1984 all LEAs that originally had no forms on file complied with completed forms. Forty-five percent of the LEA sample initiated "good faith" efforts -- presented evidence of actions taken by the parent or LEA to obtain missing information. Follow-up site visits were made to assist those LEAs with continuing compliance problems. In addition, the Department is proposing new regulations that will clarify the requirements for certification of eligible Indian children to assist the LEAs in providing such certification.

FELLOWSHIP COORDINATION

Question. In fiscal year 1986, bill language was added allowing for two-year funding of the Fellowship program. The intent of

this language is to provide the Department with sufficient time to properly evaluate the awards and ensure coordination with funding from other sources.

Can you cite some examples on how this language has helped with the funding coordination from other sources?

Answer. The operating procedures and the regulations for the Fellowships program require that "the applicant demonstrate a need for financial asistance beyond commitments of personal resources, other educational grants, scholarships," etc. The Department of Education examines other Federal and non-Federal sources of funding to verify the resources available to the applicant. The amount of the award is adjusted, as far as possible, to meet the remaining need. As resources available to the applicant increase or decrease, the award is also revised. This usually means that the amount of some individual awards is not known until late in the fiscal year. The ability to carry over funds (resulting from the two-year funding language) from one fiscal year to the next has allowed the Fellowship program to make maximum use of grant funds before they lapse at the end of the fiscal year. Specifically, when fiscal year 1986 funds became available late in the funding cycle, as a result of the Indian Education program's close coordination with other Federal and non-Federal programs, the program was able to utilize funds which otherwise would have lapsed to provide financial assistance to an additional 33 students.

EXPLANATION OF TRAVEL REQUEST

Question. Can you elaborate on the requested 22 percent ($112,000 in FY87 -- $145,000 in FY88) in travel funds for fiscal year 1988.

Answer. Approximately 6 percent, or $145,000, of the Indian Education program's fiscal year 1988 budget request is proposed for covering the costs of travel. This represents an increase of $33,000 (nearly 30 percent) over the fiscal year 1987 level. With this increase, the level of funds budgeted for travel will be closer to that available in years prior to 1986. In both 1986 and 1987, travel funds were reduced from the amounts originally budgeted because of the Gramm-Rudman-Hollings sequestration in 1986 and appropriation level in 1987.

The fiscal year 1988 increase in travel funds will enable additional monitoring and technical assistance for recipients of Indian Education awards. The additional site visits will focus on the discretionary project awards under Parts B and C of the Indian Education Act, to ensure a greater degree of grantee compliance with program requirements and assist the recipients to provide better services to students. Of the total increase requested in travel funds for 1988, $8,000 is for the National Advisory Council on Indian Education--for a total of $36,000 in 1988 travel funds. This amount will cover the cost of two full Council meetings and site visits to monitor Indian Education programs.

PER-PUPIL DISCREPANCY IN PART A

Question. Your justification indicates that you will continue the trend begun in 1987 of equalizing the per-pupil expenditures under the LEA formula program and the set-aside program for Indian-controlled schools.

What is the historical per-pupil discrepancy?

Answer. Since 1980 the per-pupil expenditure under the formula grants program for LEAs and Indian-controlled schools (ICSs) ranged from $136 to $185 depending upon the amount appropriated and the number of children counted for entitlement. During the same period the amount per pupil for the set-aside program for the ICSs ranged from $415 to $857. During those eight years, the average amount per pupil for the formula program was $147, and for the set-aside program it was $626. Over the entire period the set-aside per-pupil figure was about four times the formula grant figure.

The table that follows shows the figures by year:

Per-Pupil Funding

Fiscal Year	LEA formula program	ICS set-aside program
1980	$144	$838
1981	185	459
1982	166	415
1983	144	585
1984	144	857
1985	139	749
1986	136	655
1987	136	593
1988	136	485

Question. A 1983 House Appropriations Investigation report found that, on the average, Indian-controlled schools receive much higher per pupil revenues than public schools. To solve this problem, the Department is beginning to redirect funds away from the Indian-controlled schools program to the LEA program (local educational agency program).

How long will it take to eliminate the disparity?

Answer. The Department proposes eliminating the disparity by 1991, assuming the number of children counted and the appropriation for Part A of the Indian Education Act stay at the 1988 level.

REVISIONS IN ADULT EDUCATION PROGRAM

Question. In 1985, Pelavin Associates evaluated Part C of the Indian Education Act (Special Programs for Indian Adults). One conclusion that was made found that there had been little diffusion or adaptation of products from the few demonstration projects and curriculum development projects funded under Part C of the Indian Education Act (Special Programs for Indian Adults).

The evaluation also concluded that the program was doing what the law and regulations intend.

Your 1988 request acknowledges this lack of diffusion and no funds have been requested for planning, pilot, and demonstration projects. Is the Department looking at proposed changes to the regulations or the law? If so, could changes be made only through regulations without changing the law?

Answer. The Department is developing a legislative proposal that will respond to efforts underway in Congress to reauthorize the Indian Education Act. As part of this effort, we are considering whether the planning, pilot and demonstration programs should be continued.

It is not necessary, however, to change either the law or the regulations to discontinue planning, pilot and demonstration projects. There is no requirement that these projects be funded.

PELAVIN REPORT FINDINGS

Question. The Pelavin evaluation had other conclusions including one which indicated that a number of projects seem to use disproportionately higher percentages of Part C awards for administrative expenditures.

Is there a particular trend involved?

Answer. The Pelavin report stated "that several projects visited for this study appear to have disproportionately high administrative costs." The study went on to recommend that the Indian Education program develop regulations or guidelines that address administrative costs, and monitor these costs at the application, review, and auditing stages. The Indian Education program developed standards that are currently being used in the review process for all discretionary grants. Specialists have been trained in the use of these standards. The result has been a decline in administrative costs.

Questions Submitted by Senator Thad Cochran

FAILURE TO MAKE MULTI-YEAR GRANTS

Question. In recognition of the time required to set up a viable educational program in an Indian community -- taking into account the tasks required for staff recruitment, program development, and public relations with Indian people -- the Office of Indian Education made grants of up to three years in duration. It has become the practice in the past few years to limit grants to 12 month periods, forcing applicants to recompete as new applicants before a program was even up and functioning. This has served as a hardship to tribes and other Indian groups who have had to develop competitive grant applications at the same time that they were attempting to begin a new educational program. What are the Department of Education's plans to reinstitute three year grants for Part B and C of the Indian Education Act?

Answer. In response to comments from the Indian community that a one-year grant award was not sufficient to implement an effective project, the Department invited applications, in closing notices published in the Federal Register on September 16, 1986, for projects of up to two years under general Part B and C programs. Applications for grants of up to 24 months were invited for Educational Services projects under Parts B and C, Pilot and Demonstration projects under Part B, and Educational Personnel Development projects under Part B. A longer grant period was not proposed for Part B Planning projects because the Department believes that 12 months is sufficient for a planning award.

ADEQUATE BUDGET REQUESTS FOR PART C

Question. Multiple factors including (a) high dropout rates, (b) inaccessibility to schools, (c) Indian language dominance, and (d) isolation have left Indian communities with an unskilled workforce, a condition exacerbated by a high illiteracy rate among adults. The BIA only provides some $3,000,000 per year for adult education and very few Indian adults, as verified by a Department of Education contract study in the early 1980's, participate in State or local adult education programs. Despite the Department's attention to the national problem of illiteracy, no additional funding has been requested for the literacy and GED programs funded under Part C of the Indian Education Act.

How does the Department of Education determine the level of need for appropriations requests for adult education programs?

Answer. In developing the annual budget request, the Department of Education looks at the needs in all its programs and looks at resources available to meet those needs. Clearly, there is a continuing need for adult literacy instruction for American Indians. The 1980 Census, the latest comprehensive data available, indicated that a little better than half (55.8 percent) of the Indian population over 25 had completed high school and that 8 percent of this age group had completed less than 5 years of elementary school. To meet those needs, the Department is requesting $3 million. The Bureau of Indian Affairs is requesting an additional $3,146,000.

The Department estimates that $1,300,000 of Federal money in the Adult Education State grant program is serving Indians, along with an undetermined amount of State and local funds. (In 1984-85, 69 percent of the total funding for Adult Education was non-Federal.) In the context of a very tight budget -- with funding reductions proposed for many programs, and few increases proposed anywhere -- we view a request for level funding for Part C as adequate.

Question. How many applications for funding for Part C, Adult Education were submitted last year? How many were funded?

Answer. In fiscal year 1986, 130 applications were submitted and 25 were funded.

Question. What are the Department of Education's plans for addressing the adult literacy needs of Indians?

Answer. The Department is requesting level funding, is concentrating on educational services projects, and is attempting to target awards more effectively on the neediest adults and localities. Discussions have been held with the BIA and with the Adult Education program on better coordination of Federal efforts to address the adult literacy needs of Indians. The Department has also requested a $22 million (20 percent) increase for Adult Education State grants, as well as $2 million to initiate a program of Adult Education Research, Development, and Evaluation.

Senator REID. I would at this time recall to the hearing table Mr. Bettenberg and his staff.

Mr. Chairman, I appreciate your being here. I am going to excuse myself and have you continue chairing this meeting.

Senator BURDICK [presiding]. All right. Thank you.

Mr. Bettenberg, I would like to talk about Federal coal royalty rates. To date, an estimated 843,000 tons of lignite has been bypassed in my State, partly due to the current Federal royalty rate of 12.5 percent. When attractive coal is bypassed, we lose not only a valuable natural resource but revenue as well.

According to figures supplied to me by the North Dakota Lignite Council, 1,480 acres of Federal coal, 8 million tons is currently scheduled for bypass by North Dakota coal producers.

My question is, how serious do you feel this problem is?

Mr. BETTENBERG. Well, I think that bypassed coal is a fairly serious problem, Mr. Chairman.

Senator BURDICK. In recent correspondence I have had with Assistant Secretary Griles, he indicates that the Interior Department is in the process of drawing up new guidelines by which to implement section 39 of the Mineral Leasing Act. I applaud that effort.

Can you provide the committee some insight as to what the new guidelines will entail and how soon they will be published?

Mr. BETTENBERG. Well, let's see, No. 1, I should make you aware that that is not our jurisdiction or bailiwick in the Minerals Management Service. The Bureau of Land Management is responsible for setting the royalty rate. We are responsible for collecting the money once they set the royalty rate. We have reviewed drafts of the rules that they are working on, and basically, they are trying to establish categories under which royalties would be reviewed and reduced on motion by a company.

I am not really familiar with what the criteria would be. Our particular role in it would be to review the application to see if the data looked proper; if they don't look proper, to then audit the results.

As I understand it, bypassed coal is a specific criterion that could trigger a reduced royalty.

Senator BURDICK. According to figures supplied by the Department of the Interior, there have been instances where it has taken over 2 years

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for Interior either to grant or deny a request for a royalty rate reduction.

Could you please explain why this is and what corrective actions you plan to take?

Mr. BETTENBERG. Well, I would have to turn to the Bureau of Land Management for that answer, because they are responsible for that review rather than the Minerals Management Service.

Senator BURDICK. Got the wrong guy, huh?

Mr. BETTENBERG. Got the wrong guy for that one, sir. [Laughter.]

I think, frankly, undoubtedly, their problem is not having criterion in the past. It is a difficult issue. It is an issue that everybody is certainly going to be watching, if they reduce a royalty, then the burden of proof will be on the Bureau of Land Management for any royalty they come up with. And so they will be in a difficult position from a public affairs standpoint, whenever they make those decisions.

We will have the same problem, potentially for oil. We are responsible for that.

Senator BURDICK. Well, it looks like we will have to reserve our questions until the Bureau of Land Management people come up here. You all belong under the same tent, though.

Mr. BETTENBERG. Pardon?

Senator BURDICK. You are all under the same tent.

Mr. BETTENBERG. We're all under the same tent. Director Burford of the Bureau of Land Management reports to the same Assistant Secretary that I do. That is the reason why I am modestly familiar with the issues.

I will pass your concern on to him and ask him to be prepared to respond.

Senator BURDICK. I understand that the officials of the Bureau of Land Management will be here in a few weeks or a short time.

So I guess that is all we have for you.

Mr. BETTENBERG. Thank you very much, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Senator BURDICK. The subcommittee has additional questions from Senators Johnston and Mikulski, which will be submitted for response for the record, and I trust you will get them back in a timely manner.

Mr. BETTENBERG. We surely will.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

Question: What length of time is typically required from the point where work is initiated on a 5-year leasing plan until an actual lease is awarded; and, typically, how long would it be from that point until production might commence on the lease assuming oil or gas is found?

Answer: It will have taken approximately 3-1/2 years to prepare and approve the program currently proposed for the mid-1987 to mid-1992 time period. We anticipate that preparation time for the next 5-year program will be between 2 and 3-1/2 years.

The presale planning process for individual lease sales takes about 2 years--slightly less in the Gulf of Mexico and slightly longer in Alaska. Depending on the year in which a sale is scheduled, this planning period may overlap part of the period during which the 5-year program is being prepared. Thus, at the earliest, a lease actually can be awarded within a month or two after the program is approved.

It is somewhat difficult to say how much time may elapse after a sale until exploration and development and production activities may take place. A variety of factors influence this timespan, such as environmental factors (distance from shore, water depth, weather, and sea bottom soil conditions), availability of markets, availability of drilling and production equipment, and regulatory restraints just to name a few.

Given the above, on the average, it takes 1 to 20-plus years from the date a lease is issued before production begins from that lease.

Some timeframes for the more noteworthy deepwater platforms on the Outer Continental Shelf (OCS) are as follows:

Name	Water Depth	Lease Issued	First Production
Hondo (deepest water platform on Pacific OCS)	850'	1968	1981
Cognac (Gulf of Mexico OCS deepest water production platform in the world)	1,025'	1974	1980
Lena (first guyed-tower platform installed on the OCS)	1,000'	1978	1984

In California, the Exxon Santa Ynez Unit was leased in 1968 and first production was not achieved until 1981. Almost 20 years following leasing, Exxon is still seeking to resolve problems which delay full production. At this time, there is no end point which is clearly in sight.

California OCS

Question: California has clearly been the most controversial portion of the new 5-year leasing plan. What percentage of the Leasing and Environmental Program request of $39,319,000 is associated with the California OCS?

Answer: It is estimated, at this time, that approximately 25 percent of the Leasing and Environmental Program request of $39,319,000 will be used to support the Oil and Gas Leasing Program on the California OCS. This figure of approximately $9,845,000 includes an Environmental Studies Program for the California OCS in FY 1988 of $6,485,000.

Question: Congress has imposed moratoria or delays on leasing of Federal waters off California in each of the last several appropriation bills. The Department has continued to complete preleasing activities, such as area identification and environmental analysis, under the existing 5-year plan. Have the delays imposed by Congress caused any increases in your prelease costs? If so, could you quantify these increased costs for the California OCS?

Answer: Obviously, there are some additional prelease costs incurred when a moratorium-associated delay requires that certain sale preparation steps or activities be repeated. The experience of Sale 91, Northern California might be illustrative. Because of the moratorium, Sale 91 was delayed a number of times from its original 1985 proposed sale date to 1989. As a result, a number of Calls for Information and Nominations were prepared but never issued. In the FY 1988 budget, about $600,000 is requested to prepare a total of 11 Requests for Interest, Calls for Information and Nominations, and Area Identifications for an average cost of $55,000 per product. It can be inferred, therefore, that a portion of the $55,000 average cost was incurred as additional costs to the taxpayers resulting from the need to prepare multiple Calls for Sale 91 before one was finally issued in February 1986.

Such costs are negligible, however, when compared to the far greater potential loss to the Nation from postponed resource development and delayed receipt of public and private revenues. The 5-year leasing program now being prepared indicates that national benefits from leasing northern California resources to be in the range $900 million to $2.5 billion. Even a 1-year delay in the receipt of such revenues can cost millions of dollars; Sale 91 has been delayed 4 years so far. These delay costs are the true costs to the Nation and the taxpayer from legislatively imposed moratoria on leasing in prospective areas.

Question: In the interest of saving money, are there certain prelease activities which could be deferred until the leasing moratoria or other legislated delays have been lifted?

Answer: The California moratoria are currently lifted and we are not currently operating on a delay schedule. For North Atlantic, we are proceeding with the sale exclusive of the moratoria zone. Allowing the prelease preparatory steps to continue, though previously causing some redundant work effort and greater

administrative cost, help to insure that the sale could be held as soon as possible after the leasing prohibition was removed and minimized the far greater costs of delayed receipt of national benefits.

OCS Section 8(g) Tracts

Question: Mr. Bettenberg, we have a few questions about your February 20, 1987, report on proposals for cooperative agreements with States for auditing revenues from 8(g) tracts. Is it likely at this point that Louisiana, Texas, or California will enter into cooperative auditing agreements with the Service?

Answer: Texas has indicated it might enter into an agreement with MMS. Louisiana does not have staff resources available at this point to commit to an agreement and would not enter into an agreement at this time. California does not have any producing 8(g) tracts and would not enter into an agreement at this time. However, both Louisiana and California have expressed interest in establishing the cooperative agreement process and may enter into agreements at later dates.

Question: The report seems to suggest that since the 8(g) tracts represent only 5 percent of producing OCS leases and because the Minerals Management Service already has auditors in place, there would be little financial incentive for the Federal Government to reimburse the States for their cooperation, is that correct?

Answer: Yes. To clarify the points in the report, the 8(g) tracts account for a relatively small portion of the MMS's entire audit workload, as the OCS leases are only a part of all audits performed. The 8(g) tracts are audited as a part of a larger scoped audit; thus, eliminating these leases from the MMS's audits would result in only a very small cost savings to the Federal Government. These savings would be offset in part by the cost of administering the cooperative agreements. From this standpoint, there would be little, if any, cost savings to the Federal Government which could be transferred to finance the States' efforts.

Question: What is your best estimate of the dollar savings to each party if such cooperative auditing agreements were established?

Answer: There would not be any savings to the States, since this would be an increase in the audits they perform. As stated to the previous question, any savings to the Federal Government would be very small. Based on the average time to perform an audit of a lease and the small number of 8(g) tracts in the 3 States, the savings to the Federal Government would be equivalent to about one-half to one staff-year of effort. This would be partially offset by an increase of about one-quarter to one-half staff-year to administer the cooperative agreement.

OCS Resource Evaluation

Question: The budget request for OCS Resource Evaluation shows a decrease of $388,000 and 11 FTE's. The justification (p. 78) indicates that most OCS planning areas have been pretty well studied. Does this mean that we can expect to see the request for Resource Evaluation to decline significantly over the next few years?

Answer: The FY 1988 Budget Justification (p. 78) states "Resource studies have been conducted in most OCS planning areas to support prelease and leasing decisions." This statement in no way implies that future studies are not required but rather that the focus for such studies will now be directed primarily on areas of expected industry interest. As a result of this redirection, a decrease of $388,000 and 11 FTE's is made possible through program restructuring and efficiencies. As the pace of exploration increases, resource studies will continue to be required in planning areas with high potential, and resumption of studies in promising frontier areas will be reinitiated. Consequently, MMS does not envision significant decline for Resource Evaluation funding over the next few years.

Question: Does the reduced level of actual and planned exploration activity by industry signal a long-term trend, or do you believe that this cutback in exploration is more a reflection of low oil and gas prices?

Answer: The reduced level of actual and planned exploration activity by industry is a result of low oil and gas prices, leasing moratoria imposed offshore California, recent disappointing exploration results in promising frontier areas, and strategic redirection of funds by industry. While all of these are interrelated, they basically are driven by the same objective -- economics. The MMS does not believe the current level of activity reflects a long-term trend but rather, as the oil and gas market continues to improve, exploration activities will mirror this progress. In fact, as of March 13, 1987, 133 rigs were working on the OCS, the largest number in a year. The lowest number of rigs working on the OCS, 89, occurred in August 1986. The current level represents a 50 percent increase in the number of working rigs in 6 months and reflects the industry's confidence that the oil and gas market will continue to improve.

Question: At what price do you believe that industrial exploration will resume to previous levels on the Outer Continental Shelf?

Answer: Our analysis for the 5-year OCS Leasing Program indicates that leasing interest and, by implication, exploration should increase in most planning areas as oil prices move beyond $20 per barrel. At oil prices near $25 per barrel, interest should also increase in a number of Alaskan planning areas.

For a given geologic expectation, exploration activities are closely related to the expected future price of oil. If future oil price expectations are low, it is unlikely that exploration on the OCS will reach previous levels even at an oil price of $25 per barrel. However, if real oil prices begin to increase

at 4-6 percent a year (as many price-forecasters predict), exploration in the mid-1990's is likely to approach the levels of the early to mid-1980's.

Whether previous levels of exploration on the Atlantic and Alaskan OCS will ever be reached again is difficult to predict because of past exploration disappointments and consequent lower resource expectations. The Gulf of Mexico is likely to continue to support the bulk of exploration activities. Exploration in the Gulf of Mexico is likely to increase as oil prices rise and natural gas prices approach previous levels (natural gas competes with residual fuel oil in the industrial markets). In addition, if the Department is permitted to lease the promising acreage offshore California, significant new exploration activites would result.

Given an outlook of increasing oil and gas prices and leasing on the California OCS, exploration activities could approach previous levels by the mid-1990's.

Question: Have there been any fundamental shifts in the industry itself, or in the way that the leasing program is being conducted, that would dampen future exploration?

Answer: The recent decline in energy exploration was due primarily to the fall in oil prices coupled with exploration disappointments in many frontier areas. With the price of oil at $15-$20 per barrel, many OCS planning areas have simply been priced out of the market. The recent drop in the level of exploration, therefore, was mainly the result of oil prices, rather than any fundamental shifts in the industry or in the way the leasing program is being conducted.

The outlook for future levels of exploration on the OCS is primarily dependent on future oil prices. Several reputable forecasters are predicting a 4-6 percent per annum real price growth for oil for the remainder of this century. If these forecasters are accurate, interest in exploration should increase steadily over time. In fact, this increase may have already begun. As of March 13, 1987, 133 rigs were working on the OCS, the largest number in a year. The lowest number of rigs working on the OCS, 89, occurred in August 1986. The current level represents a 50 percent increase in the number of working rigs in 6 months and reflects the industry's confidence that the oil and gas market will continue to improve.

OCS Regulatory Program

Question: With the reduced level of industry activity resulting from lower oil and gas prices, why is there no reduction in the OCS regulatory program budget request? For example, the justification (p. 98) projects that exploration, development, and production plans will decrease from 1,115 to 819 over the next year. That is a 27 percent drop. Platform installation applications are projected to decrease by 38 percent and pipeline applications by 15 percent over the same period.

Conversely, what is the basis for the projected 20 percent increase in drilling permit applications processed in FY 1988?

Answer: Drilling activity lags behind work done on plans of exploration and plans of development and production. Referring to the flowchart on page 28, the steps between the filing of the plans and the actual commencement of drilling operations will consume about 6 months if there are no problems. In practice, these steps typically consume 6 months to a year. Thus, the level of plans processed in FY 1986 (1,109) and 1987 (1,115), will result in more new drilling activity in FY 1988 even though the number of plans processed in FY 1988 (819) is projected to decrease. In addition, the large number of leases issued under the areawide leasing procedures of 1983 will be reaching the end of their initial terms in FY 1988, and they will expire if not explored. We anticipate that lessees will begin exploration rather than relinquish the leases, especially if prices are higher.

Question: The Budget Justification notes (p. 40) that among the recent accomplishments under the preleasing activity are improvements to the oil spill risk analysis model. What specific improvements have been made to this model?

Answer: MMS has continued to make improvements to its oil spill risk analysis model by developing methods to realistically estimate the movement, spreading, and dissolution of oil spills on the ocean surface. The enhanced model will provide additional information on possible impacts if an oil spill were to occur.

The Oil Spill Risk Analysis II (OSRAII) model incorporates information on winds and ocean currents to simulate the movement of large surface oil slicks from specific locations offshore. Major features added to this new version include the ability to model:

- Oil spill weathering over time due to evaporation, vertical dispersion, and emulsification.
- Oil spreading on the surface based on winds, currents, and oil properties.
- Typical volumes of oil spilled from various sources (platform, pipeline, or tanker).
- Spill sizes based on historical records.
- The duration of the spill event (spontaneous or continuous release).
- Unlimited representation of at-sea, coastal and shoreline resources, (as results of model runs are presented graphically).

Applications for the OSRAII model include:

- Prelease and postlease environmental impact assessment.
- Approaches to containment and clean-up of potential spills.

- o Link to biological/economic damage assessment and air quality models.

Question: Also, accomplishments under the lease notification activity (p. 42) process and rule changes which allow reductions in printing costs for the Federal Register proposed Notices of Sale. What is the nature of these changes, and what would be the resulting annual savings.

Answer: Beginning with the proposed Notice of Sale for Central Gulf of Mexico Sale 110, we published a Notice of Availability in the Federal Register (in November 1986), indicating where a proposed Notice may be obtained. This Notice is one page; the proposed Notices tend to be about 25 pages. At a printing cost per page of approximately $400, the savings per Notice is about $9,600.

Question: Will these changes make it more difficult for the public to gain information about pending sales?

Answer: No, the regions have a mailing list of interested parties. Those people automatically receive a copy of the proposed Notice and accompanying material. Also, the Notice of Availability still allows the public to request information about pending sales.

Royalty Management Compliance Positions

Question: The Congress added $2.5 million to the FY 1987 request to fund 50 additional positions in the Royalty Compliance Division. What is the status of your efforts to fill these new positions? How many are actually on board today?

Answer: The recruitment of the additional auditors and support personnel authorized by Congress for FY 1987 is virtually completed. As of March 31, 1987, 50 auditors have been hired since January 1, 1987, and have reported to work.

Indian Royalties

Question: Mr. Bettenberg, we have a series of questions regarding collection of mineral royalties for leases of Indian lands. Are you familiar with the court's ruling in the case of Shoshone Indian Tribe and Arapahoe Indian Tribe v. Donald P. Hodel, et al?

Answer: Yes.

Question: Is the Department planning to appeal the District Court's ruling?

Answer: No interlocutory appeal was taken and the remand was accepted.

Question: What parts of the ruling in this case are most troublesome to the Department?

Answer: We are still studying the court's opinion in our effort to determine how to respond to the remand.

Question: As I understand it, the court ruled that the Service must use the product valuation methodology which produces the greatest royalty to the tribes. Does your present royalty collection program do that?

Answer: The courts have ruled that when MMS encounters a situation where there are a number of reasonable product valuation alternatives, then the method which will produce the greatest royalty to the tribe should be used. It is present MMS policy to follow the courts' directions as closely as possible while seeking clarification of some portions of the courts' decisions.

Question: Would you discuss for the subcommittee your proposed oil and gas product valuation guidelines and indicate how they would treat the Indians and other taxpayers more favorably?

Answer: The proposed oil and gas valuation requirements define the value of production at the lease based upon prevailing market forces in effect for the area within which the oil and gas is produced. The basic foundation of the proposed rules is that value is best determined by the prices that nonaffiliated parties agree upon for the sale of oil and gas. Where arm's-length sales exist, the consideration the lessee receives will be accepted as properly defining the value of the oil or gas. Further, these values will serve as the primary benchmark against which all transactions between affiliates will be judged.

The proposed rules have been designed to determine the reasonable market value of oil and gas. This is the value that the statutes have always required for royalty purposes. The proposed regulations only serve to more clearly define how that value is to be determined in accordance with the applicable laws and were not designed to favor either lessors or lessees.

Where the terms of any leases are inconsistent with the proposed oil and gas product value regulations, the lease terms shall govern to the extent of that inconsistency. This means that if any Indian lease requires value based upon the highest available price, dual accounting, or any other standard which will result in a greater royalty value, then the value standards prescribed in the lease must be used.

Question: The House Appropriations Committee's investigative staff has alleged that royalty payments have been undercollected by as much as 20 percent. I believe that your office has estimated that the proper figure is less than 3 percent. Some of the difference appears to be attributable to differences in product valuation. Is the principle of "net back" pricing a practical one to apply to royalty management? Would such a system be too complex to administer?

Answer: The principle of "net back" pricing, which MMS interprets as meaning the price of refined oil product values less refining and transportation costs to arrive at royalty value at the lease, is not in general a practical one. First, the number of "net back" prices that would be necessary to cover over 20,000

leases across the United States would be overwhelming. Second, without the actual costs of transporting and refining the oil from each lease, the resulting "net back" prices would be difficult, if not impossible, to get in some cases and may not be legally supportable as a basis for demanding royalty. Finally, such a system would have the Department pass judgment upon the level of profit nonlessees should be allowed in their transportation and refining businesses before deciding what value its lessee should use in the payment of royalties.

A basic valuation principle is that value is established at the point of first sale. In the case of oil, most arm's-length sales take place at the lease, and serve as the standard for valuing oil for royalty purposes.

Due to the nature of the data needed to verify "net back" prices and the scope of the program (over 20,000 leases nationwide), the system would be complex, burdensome, and costly to administer.

Question: What would it cost to develop and operate a royalty system based on "net back" value compared to the cost of the present system?

Answer: The MMS has no actual estimates of the costs needed to develop and operate such a system. However, the costs of a system to obtain and maintain: actual refined product values from every refinery processing oil from over 20,000 Federal and Indian leases; the individual refinery operating costs; as well as the costs of transporting the oil to the refinery from the large number of fields across the United States, would be many times the cost of the present system. The present system relies upon prices actually paid for oil. These prices are available through price bulletins issued by major purchasers of oil. In general, posted prices do not vary significantly from the highest posted price to the lowest posted price for the area covered by the bulletins and are not difficult or labor-intensive to follow. The "net back" system relies on the values of refined products such as gasoline, jet fuel, etc., which fluctuate widely over time and geography. They would be both difficult and labor-intensive to monitor.

Other Royalty Questions

Question: Mr. Bettenberg, your statement (p. 7) notes that the Department was sustained in its efforts to collect royalty payments on "take or pay" contracts. What is the Department's rationale for collecting royalties for gas which was not actually delivered?

Answer: Take or pay payments represent part of the total consideration the lessee receives for the disposition of gas under its contract. As such, these payments are part of the lessee's gross proceeds and subject to royalty.

Question: Your statement indicates that potential receipts from such contracts are unknown. Why is that? Don't you have samplings from which to make a projection of potential collections?

Answer: Take or pay payments are based upon the failure of a purchaser to take a specified percentage of the total gas deliverable under its contract. Percentages at which take or pay payments are triggered vary with the individual contract, and the amount of gas represented by the difference between what was actually taken and the take or pay payment threshold percentage prevent any projections of potential receipts.

Unitization of OCS Leases

Question: Section 5 of the Outer Continental Shelf Lands Act provides that the Secretary of the Interior shall manage leasing on the Outer Continental Shelf in such a manner as to provide for the prevention of waste and conservation of natural resources of the Outer Continental Shelf, and the protection of correlative rights therein. Do you interpret this responsibility to favor unitization of leases where appropriate to prevent waste, conserve natural resources or protect correlative rights? Do you interpret this responsibility to apply only to the prevention of waste, the conservation of natural resources and the protection of correlative rights with respect to natural resources that underlie the Federal Outer Continental Shelf or to also apply to natural resources that may underlie both the Federal and the State Outer Continental Shelf?

Answer: Section 5(a) of the OCSLA states that the Secretary may promulgate rules and regulations to prevent waste, conserve natural resources, and protect correlative rights. Section 5 does not favor unitization over other methods for preventing waste, protecting natural resources, or protecting correlative rights.

Under the DOI's current policy, Federal lessees will be compelled to unitize operations on their leases with adjacent Federal or State leases when that action is necessary for the prevention of waste or the conservation of the natural resources of the OCS. Where State and Federal offshore oil and gas leases are involved, the division of sovereignty dictates that compulsory unitization be accomplished by a joint finding by DOI's Minerals Management Service and the appropriate State agency. That finding must identify the waste to be prevented or the conservation purpose served. Then a joint order must be issued to the respective lessees to compel the unitization of operations.

The DOI supports and encourages alternate voluntary ways to avoid potential drainage situations that can develop between adjacent State and Federal oil and gas leases. There are currently 44 voluntary unitization agreements covering operations on Federal OCS oil and gas leases and State of Louisiana offshore oil and gas leases.

Question: Section 5 of the Outer Continental Shelf Lands Act also provides that, "in the enforcement of safety, environmental and conservation laws and regulations, the Secretary shall cooperate

with the relevant Departments and Agencies of the Federal Government and the affected States." Do you interpret this provision to create a responsibility on the part of the Secretary to cooperate with the States in such matters as the unitization of oil and gas resources that may underlie both Federal and State waters on the Outer Continental Shelf?

Answer: It is DOI's policy to cooperate with the States in a variety of areas. The DOI will continue to work with the States to resolve problems involving production from adjacent State and Federal leases. However, this cooperation does not restrict the discretionary powers that are given to DOI by Section 8(g)(3) of the OCSLA. As stated by the U.S. District Court in State of Louisiana vs. United States [Civ. No. 86-0924 "L" (W.D. La. Dec. 19, 1986)], Section 8(g) was intended to give the Secretary license to enter into voluntary agreement with the State. The Secretary would have discretion to negotiate such an agreement when to the satisfaction of both State and Federal interests.

Question: Historically, has the Federal Government entered into unitization agreements or joint operating agreements where oil and gas resources underlie both Federal and State waters? How many times? Have all of these agreements been voluntary?

Answer: The MMS has advocated various alternatives to solving problems involving adjacent State and Federal leases. For example, MMS has supported the process of developing a model Federal/State unit agreement for use in Alaska. The MMS has also strongly supported voluntary agreements between Federal and State lessees. There are currently 44 of these voluntary agreements. They are generally the most efficient solution since they allow maximum flexibility and help to ensure that complex technical issues are resolved in the most equitable manner. There are no such involuntary agreements.

Question: Is there a mechanism in place for obtaining unitizations or joint operating agreements of joint Federal/State oil and gas reserves where either the State or the Federal Government or either of their lessees, for whatever reason, is reluctant to enter into such an agreement?

Answer: When State and Federal leases are involved, compulsory unitization must be accomplished by joint orders from DOI and the State agency to the appropriate lessee. Subject to the lessee's right to appeal an order, MMS can impose a unitization agreement on a "reluctant" Federal lessee. There is currently no mechanism in place that allows either the State or Federal Government to force the other jurisdiction into a unitization agreement.

Question: Does the "law of capture" apply to the extraction of oil and gas resources from the Federal OCS? Do you believe the "law of capture" is the rule in the coastal States with jurisdiction over part of the OCS, such as, for instance, in Louisiana?

Answer: The "law of capture" currently applies to the extraction of oil and gas resources on the Federal OCS. However, this right has been tempered by the doctrines of conservation, waste, and correlative rights. The DOI has defined correlative

rights in 30 CFR 250.2(i) as the right of adjacent lessees to be afforded an equal opportunity to explore for, develop, and produce hydrocarbons without waste of oil or gas. Waste of oil or gas is defined in 30 CFR 250.2(qq) as the physical waste of hydrocarbon, the dissipation of reservoir energy, and the reduction of the amount of ultimately recoverable hydrocarbons. Thus, the right to produce hydrocarbons may be limited if the lessee intentionally or negligently wastes hydrocarbons or reservoir energy.

All States apply some version of the rule of capture in oil and gas operations. 1/ However, discussions of State law are basically irrelevant since State law is applicable to the OCS only in the absence of Federal law. As noted by the U.S. District Court in State of Louisiana vs. United States [Civ. No. 86-0924 "L" (W.D. La. Dec. 19, 1986)], the current Federal regulations displace State laws relative to correlative rights on the Federal OCS.

Question: Assuming that the "law of capture" has been repudiated and replaced by modern conservation laws in both the Federal domain and in the various oil and gas producing States, couldn't a refusal by the Federal Government to unitize or enter into joint operating agreements on joint Federal/State oil and gas reserves reinstate the "law of capture" in those limited instances? Wouldn't this turn the clock back to the early days of oil and gas production in our Nation and almost by definition lead to waste of our Nation's natural resources and the destruction of correlative rights by encouraging the State and Federal lessees to produce oil and gas as rapidly as possible notwithstanding the effect on the ultimate total recovery of these resources.

Answer: The current Federal regulatory scheme ensures that OCS resources are developed in an expeditious manner. However, a lessee may not produce hydrocarbons at a rate that would lead to physical waste of hydrocarbons, dissipate reservoir energy, and lead to a reduction of the ultimate recoverable hydrocarbons. These hydrocarbon production controls guarantee that natural resources are not wasted and eliminate the problems that occurred in the early days of the oil industry.

Technical Papers for Prelease Environmental Assessments

Question: Your workload summary under the prelease environmental assessment process indicates that the number of technical papers will double from 8 in FY 1987 to 16 in FY 1988. Can you expand on the definition of technical papers beyond simply a way to enhance and support an EIS?

Answer: Technical papers are prepared by the OCS regional offices on a wide range of topics and are used as references by analysts in the preparation of lease sale EIS's. These papers also serve as references in endangered species consultations, post-sale environmental assessments, and special analyses. Technical Papers are subject to rigorous peer review, and their preparation and publication is governed by a section of the MMS Manual.

1/William and Meyers, Oil and Gas Law, §204.4

Technical Papers generally examine a single subject, but the paper's information and conclusions may be applicable to all or several OCS areas. For example, a description of the oil-spill risk analysis model, an explanation of the toxicity of hydrocarbons to marine biota, or a description of environmental laws applicable to the OCS are all topics that apply equally to all or most planning areas in a Region and even to all Regions. Some Technical Papers are prepared to address a critical issue for one or more lease sales in a single planning area.

Consistent with the Council on Environmental Quality regulations on EIS preparation that encourage shorter EIS's and incorporation by reference, Technical Papers on generic or specific subjects can be prepared and incorporated by reference in one or more EIS's. This reduces the size of lease-sale EIS's and makes them more sale-specific and relevant to the decisionmaker's needs. As noted above, the Technical Papers also serve as references for other pre-sale and post-sale environmental analyses.

Question: What are the budgetary consequences of using more technical papers as opposed to EIS revisions?

Answer: An increased use of Technical Papers would produce a modest savings in overall costs for prelease National Environmental Policy Act (NEPA) compliance. The effort and cost of producing a Technical Paper on a given subject that can be used for numerous EIS's will be somewhat less than the effort and cost of preparing a section on the subject for each EIS. The savings will be modest because the Technical Paper will have to be updated periodically and sufficient quantities will have to be printed and available to the public on request.

Ocean Mining Program

Question: Under the authority of the OCS Lands Act, MMS is in the process of developing and implementing an Ocean Mining Program. This effort focuses primarily on the 200 mile Exclusive Economic Zone (EEZ). Can you give me a brief status report on the EEZ regulations?

Answer: Regulations covering OCS/EEZ mining of marine minerals for prelease prospecting, leasing and postlease operations are being developed by a multi-agency task force. The draft prelease prospecting regulations were published in the Federal Register on March 26, 1987, with a final rulemaking expected in October 1987. A final draft of the leasing regulations should be submitted to OMB in early May 1987. The final leasing regulations are anticipated for November 1987. The postlease operating regulations are now being drafted and it is expected that a final rulemaking will occur in late 1987.

Question: Are we far enough along technologically to develop this resource?

Answer: Technology currently exists and is operational in other parts of the world to mine marine mineral resources such as sand and gravel and heavy mineral placers in water depths up to

50 meters. Mining in deeper waters along with recovery of more exotic mineral resources such as manganese crusts and nodules, phosphorites, and massive sulfides have not yet proven to be commercially operational, however, several deep-water mining systems have been tested. It is anticipated that commercial recovery of these resources would not occur before the 21st century.

Question: Do you have a specific timeframe for a public lease sale in the EEZ?

Answer: The Draft EIS for the proposed lease sale for cobalt-rich manganese crusts in the Hawaii and Johnston Island EEZ was published on March 27, 1987. The Final EIS will be completed in September 1987. This first marine minerals lease sale for crust resources in the mid-Pacific could occur in 1988. This date assumes completion of review and comment by the Governor of Hawaii, issuance of notices of sale, extension of OCSLA authority to the Johnston Island EEZ and promulgation of leasing regulations.

Question: In FY 1986, the Navy performed several submersible dives off the coast of northern California which resulted in the discovery of four large sulfide fields. These fields were subsequently mapped, photographed, and sampled. What are your plans with respect to these fields in FY's 1987 and 1988?

Answer: The significance of the mineral discoveries on the Gorda Ridge during 1986 will be discussed at the Gorda Ridge Symposium to be held in Portland, Oregon, on May 11-14, 1987. The purpose of the symposium is to provide a forum for industry, the scientific community, and the general public to review the results of mineral resource and biological investigations conducted on the Gorda Ridge. Based on the results of the symposium, the Gorda Ridge Technical Task Force will prepare a set of recommendations for the Secretary of the Interior and the Governors of Oregon and California regarding the leasing potential of minerals resources on the Gorda Ridge and the respective roles industry, government and the scientific community can play in further evaluating these resources. We have no further plans for these fields for 1987 and 1988.

OCS Leasing Maps

Question: In FY 1988, your workload data indicates that the number of leasing maps will decrease from 83 in FY 1987 to 8 in FY 1988. Is this a typographical error? If not, why the large decrease? Is our mapping program coming to a conclusion? If this is true, what is the corresponding decrease in required funds?

Answer: No, the number is not a typographical error. The number of leasing maps will in fact decrease to 8 in FY 1988. The mapping program is not being discontinued. The FY 1988 level reflects reduced mapping needs because all the OCS leasing maps have been revised recently with no further need to make changes.

Supplemental Official Block Diagrams

Question: A similar workload summary indicates that the Supplemental Official Block Diagrams will decrease from 1,826 in FY 1987 to 505 in FY 1988. Is this workload a function of the number of supplemental sales scheduled during FY 1988?

Answer: No, Supplemental Official Block Diagrams does not refer to supplemental sales. They are "split block diagrams" which are done on an as needed basis, usually related to sale specific requests. The decrease here is a result of the decrease in sales scheduled for FY 1988.

Alaska Boundary Project

Question: Seldom have I found an agency requesting funds that are already fenced in with bill language. Usually fencing money is a service provided by Congress. However, I note that MMS has requested $250,000 in FY 1988 for a jointly funded data collection effort with the State of Alaska to accurately establish the offshore boundary between State and Federal lands. When you indicate "data collection", do you mean actual surveying? If so, because of the remoteness, surveying is very expensive in Alaska. Are these funds going to be adequate to do the job? If these are not surveying funds, what do you mean by "data collection"?

Answer: The $250,000 requested by MMS in FY 1988 for data collection efforts establishing the offshore boundary between the State and Federal lands will be used for photographic reconnaissance missions, overflights, and installation and monitoring of short-term tide stations. The Boundary Working Group (BWG) is a joint effort to resolve boundary issues. The money is for use by the BWG which includes the State and NOAA. The $250,000 would not be enough if the State did not match these funds. NOAA contributes some funds as well as photographic equipment and personnel.

Question: Your proposed bill language for this purpose (the boundary project in Alaska) specifies that the matching must come from State revenues. Are you opposed to the State finding private funds for this purpose?

Answer: No, we are not opposed to the State finding private funds to match the Federal funds for the BWG.

Geological and Geophysical Data

Question: Beginning in FY 1986, the Department was no longer required to pay the processing costs for the collection of Geologic and Geophysical (G&G) data. Reproduction costs would still be paid by the Secretary as well as processing costs on pre-FY 1986 permits. In FY 1988, this change will save $3.1 million. When will the processing payments be completely phased out?

Answer: The following table demonstrates the proposed permit phase-out of additional funds required to acquire pre-FY 1986 data and projected costs through FY 1990.

(In Millions of Dollars)

Fiscal Year	Base	Additional Funds Required*	Total Funding
1986	2.0	2.66	4.66
1987	2.0	3.8	5.8
1988	2.0	0.7	2.7
1989	2.0	0.0	2.0
1990	2.0	0.0	2.0

*Additional funds required to reimburse permittees for seismic data acquired under permits issued on or before September 30, 1985.

There will most likely be a requirement for small amounts of pre-FY 1986 data as well as costs incurred for reprocessing in FY 1989 and beyond. These costs are not anticipated to be significant and will be absorbed within the $2.0 million base.

Question: The workload summary indicates that the line miles of G&G data is increasing from 48,900 in FY 1986 to an estimated 75,000 in FY 1987 to an estimated 100,000 in FY 1988. This is a 25 percent increase in 2 years while the number of permits only increased 14 percent. Why shouldn't I agree with industry that the change in the payment of G&G data will not merely give MMS an excuse to request more data than is actually necessary to evaluate OCS areas?

Answer: A comparison of mileage actually acquired versus that estimated does not lead to a proper conclusion. In FY 1986, 48,900 line miles were actually acquired but the original mileage requested by MMS regional offices was for 92,300 miles. Correlation of mileage versus number of permits is likewise misleading as the mileage available and/or desirable from a given permit varies significantly.

The amount of data necessary to evaluate OCS areas is at best subjective. However, if sufficent data exists to evaluate an OCS area, one might ask why industry is still acquiring additional data? MMS has a database now in excess of one million line miles acquired over the past 10 years. While this is a sizeable repository of data it represents only about 20 percent of that collected by industry. Our continued requirement for data is to replace older data with better quality data, to acquire infill data for better coverage, and to acquire data coverage where none previously existed. G&G data are utilized throughout an evolutionary exploration process which first identifies the hydrocarbon potential of large areas (regional focus), then large structures, and finally to delineate small subtle structures and stratigraphic prospects. This process requires increasingly more detailed seismic coverage.

Reimbursement to industry for processing is a very small part of the total industry. In CY 1985, industry acquired 555,076 line miles of data at a cost of approximately $624 million (Geophysics:

The Leading Edge of Exploration, August 1986). To further illustrate, MMS acquired 71,000 line miles of data in FY 1985 at a cost of approximately $7.6 million. Thus the revenues from MMS represented only about 1.2 percent of their total costs.

Question: What has been the response of the G&G industry on this change? Has it consolidated? Is it in a recession?

Answer: Industry has voiced the opinion that the elimination of reimbursement for processing costs by MMS is a major cause of the recession in the industry. The foregoing statistics do not support this claim. Since MMS reimbursements for processing costs represent only a minor portion of a geophysical contractor's revenue, it is difficult to imagine that they would influence a company decision to acquire geophysical data on a speculative basis. To quote from a letter by Dr. Carl H. Savit, past senior vice-president of Western Geophysical Company of America, to the editors of Geophysics: The Leading Edge of Exploration, March 1987, "The dominant factor in the geophysical business is the present and perceived future price of a barrel of oil in real terms (i.e., constant dollars)."

Fair Market Value Determinations

Question: Fair market value determinations are decisions regarding the adequacy of high bids received at a sale. These include viable prospects, tract-specific resource economic values and economic criteria necessary to determine the acceptance or rejection of high bids. Your justification indicates that the number of determinations will more than double from 2 in FY 1987 to 7 in FY 1988. Is there a reason for this increase?

Answer: Yes. The reason for the increase in the number of determinations follows directly from the number of sales scheduled in FY 1987 and FY 1988. Generally, it takes 1 month to complete fair market value determinations in the Central and Western Gulf of Mexico planning areas and 2 months in other OCS planning areas. Currently, only two sales are scheduled in FY 1987, for the Central Gulf of Mexico (Sale 110) and the Western Gulf of Mexico (Sale 112). Therefore, only two fair value determinations will be completed during FY 1987. When the FY 1988 Budget Justification was submitted, 9 sales were scheduled for FY 1988. Fair market value determinations for two of these sales fall in FY 1989 leaving seven to be completed in FY 1988.

Oil and Gas Information Program

Question: Your budget indicates that the number of Oil and Gas Information Program updates will increase from 4 in FY 1987 to 6 in FY 1988. I note, however, that the amount budgeted for this activity is essentially flat. Do you have adequate funds to handle this increase?

Answer: In FY 1988, MMS will still be producing four updates to the mandated OCS Information Program. The FY 1988 budget for

the OCS Information Program is for the production of these four reports. The two additional documents are as follows:

(1) The OCS LAWS UPDATE, which is estimated to cost approximately $16,000; and

(2) The OCS REGULATIONS COMPILATION (required by Section 21 (f)(2) of the OCS Lands Act Amendments). Production of this document has been awaiting completion of the Consolidated Offshore Operating Rules project which has been underway since FY 1983. The MMS now anticipates beginning production of this compilation in FY 1988. Budget estimates for this project can be made when the timing of the final product is assured.

MMS feels the cost of these projects can be absorbed within existing Offshore funds.

Question: Your justification hints around in several spots that oil and gas activity is expected to increase in FY 1987. The Regulation of Operations program phrases like: "Oil and gas reserves are increasing in the Gulf of Mexico," "discoveries made in the Santa Maria Basin have given rise to even more exploratory drilling and to the submission of additional development and production plans" are used. In fact, one footnote plainly states that you are expecting an increase in the oil and gas activity in FY 1987. What are you basing these assumptions on?

Answer: New drilling activity results in new production. New production results in greater workload, provided there is more new production coming on line than there is exhausted production being abandoned. This is the case in the two areas cited above. In the past 6 months, the number of drilling rigs operating on the OCS has increased 50 percent. Even though new drilling activity is less than in prior years, the workload associated with production continues to grow. It just grows at a lower rate than in years with greater new well activity.

Question: If you are anticipating increased activity, why aren't you asking for additional funds in the Regulations of Operations?

Answer: By maintaining staffing flexibility, program efforts may be redirected nominally to absorb increases in production workloads to balance reductions in new drilling activity. If both facets of the activity grow beyond the capacity of existing staff to provide timely workload accomplishments, additional staff and funds will be requested.

Question: You aren't holding back development plans due to a lack of funds in this area?

Answer: The MMS is not delaying development plans due to a lack of staff and funds in this area.

Question: Can you break out the total FY 1988 workload of 10,665 applications between workovers, recompletions, and abandonments? How does this ratio compare with previous years? Are the number of abandonments increasing or decreasing?

Answer: The workload associated with workovers, recompletions, and abandonments is part of the continuing work that occurs when production is established. This work is handled as a unit via Form MMS-331, Sundry Notices and Reports on Wells. It involves adjustments of the producing intervals in the wellbore when there is more than one productive horizon. The MMS does not separate workovers, recompletions, or abandonments as individual line items, but instead counts them together to illustrate a category of work done after production is established. The increase in workovers is predicted because existing reserves are known, and the economics of increasing production via oil well workovers are more attractive than by drilling new wells. It is anticipated that the number of zone abandonments or total wellbore abandonments will remain about the same as in the past few years, since the decision to abandon is predicated more on economics rather than on regulatory requirements.

AFS Exception Processing

Question: Exception processing is a program which identifies what the Auditing and Financial System (AFS) computer system expects a payor to pay with what they actually pay. The payor is subsequently billed any actual differences. This program is expected to increase gross revenues by $19.6 million in FY 1987 and $6.3 million in FY 1988. Is this large drop off due solely to the deterrent effect of this program or are you eliminating this program?

Answer: The exception processing program is not being eliminated. Prior to initiation of the exception processing routines in February 1985, royalty processing computer files were retained so that exception processing could be performed at a later date. The processing period of October 1983 through October 1984 was designated as "retroactive exception processing," while subsequent periods are referred to as "prospective exception processing." Both the current and retroactive periods are being verified by the contractor concurrently, but as distinct projects. Since publication of the Budget Justifications, the estimated collections from exception processing have been changed. Following are the most current estimates of collections from the exception processing program:

($ millions)

	FY 1987	FY 1988
Retroactive Collections	6.0	6.0
Prospective Collections	6.6	4.8
Total	12.6	10.8

The major reason for this change is the shifting of resources from the retroactive to the prospective project which, in turn, delays the completion of the retroactive project and the collection of those revenues. The prospective project is considered to be the higher priority because it provides greater potential for improving payor reporting. The reduction of

$1.8 million in annual "prospective" exception processing collections is attributable to the deterrent effects of the program.

Question: If so, will the contractor support for this program drop accordingly?

Answer: Upon completion of the retroactive period of exception processing, the contractor support will be reduced from about $1.6 million to about $1.0 million per year. It is anticipated that completion of the retroactive period will extend into FY 1989.

Question: Is it safe to assume that when these additional receipts are shared with States and Indian tribes they are shared before the Federal Government's costs are subtracted.

Answer: Although the MMS has proposed net receipt sharing in the FY 1984 - 1988 Budget Justifications, this proposal has not yet been approved by Congress. As a result, the Government's costs have not been subtracted from receipts.

Royalty Payor Training

Question: You have conducted 25 training sessions for royalty payors across the country. Is there any way to measure the success of these training sessions?

Answer: Based on the continued reduction in the payor's reporting error rate, the training has been successful. Over the past 16 months, the reporting error rate has dropped from an average of 11.01 percent for FY 1985 to an average of 5.41 percent for FY 1987. While the entire decrease in reporting error rate cannot all be attributed to payor training, we do believe that payor training has encouraged this decline.

Payor training has also improved communication and increased payors' understanding of what MMS does and why. We have collected evaluation forms from all the training participants and, in general, their responses have been very positive. We continue to receive more requests for training as the positive reports spread among payors. Another benefit of the training has been that the MMS representatives conducting the training have developed a greater understanding of payors' concerns, and problems, enabling us to better anticipate the effect of our policies.

Production Accounting and Auditing System

Question: Some of the objectives of the Production Accounting and Auditing System (PAAS) are to provide production data on a lease-by-lease basis to States and Indian tribes, and to supply accurate production data to the BLM, BIA, and MMS Regional Offices. This system became a pilot program in January of 1984, but has not yet become fully operational. Final conversion has been deferred pending a Secretarial review of a departmental task group and a report by the Royalty Management

Advisory Committee. Can you briefly explain what the problems are with this system?

Answer: The problems associated with the Production Accounting System (PAAS) are not of an operational nature. In fact, the system operates as designed. The PAAS processes production and disposition data on 100 percent of the solid minerals operations on Federal and Indian lands, all offshore oil and gas operations, and approximately 5 percent of onshore oil and gas leases. The BLM and BIA are provided data on solid mineral and oil and gas leases and agreements. Likewise, MMS Regional Offices receive data on offshore production.

Error rates of 17-20 percent typically decline to under 5 percent within 4 months, as operators become familiar with reporting requirements. The overall line error rate for all documents submitted for the most recent processing month was 3.5 percent.

The Department was concerned about the difficulty and expense of creating an automated reference database to use for PAAS processing and industry's criticism that the PAAS was overly complicated from a reporting standpoint, claiming that compliance with the strict reporting guidelines would prove to be excessively burdensome. The potential of assessments for failing to report timely and correctly was also of concern. In response, the Department initiated the Mineral Lease Information Study Team to perform a year long analysis of the potential costs and benefits of extending the PAAS to all or part of the unconverted onshore universe. The Royalty Management Advisory Committee (RMAC), also has a PAAS working panel investigating future options concerning PAAS reporting. Following the RMAC's final report, the Department will make a decision concerning future PAAS conversion.

Question: What makes up the expense of this program?

Answer: The program has two areas of expense: (1) The budget for personnel; and (2) the computer operations and maintenance contract. The total of these two items for FY 1987 is $3.24 million. The PAAS routinely makes comparisons between the PAAS data and the corresponding royalty data from the Auditing and Financial System (AFS). This effort has resulted in additional royalty collections of $11.0 million for the 21-month period from June 1985 to February 1987.

Question: How does PAAS differ from the State and Tribal Support System (STATSS) which States and Tribes now have access to?

Answer: The State and Tribal Support System is an information access system which provides nine States and nine tribes with full access to the reference and financial data within the AFS. STATSS is updated once monthly, usually at the beginning of the month.

The PAAS receives, edits, processes, and distributes production and disposition data from all Federal and Indian solid minerals operations, all offshore oil and gas operations, and approximately 5 percent of the onshore Federal and Indian oil

and gas leases. The PAAS provides monthly reports to the various States, Bureau of Land Management district offices, Bureau of Indian Affairs offices, and MMS Regional OCS offices to assist them with their lease management functions. The PAAS uses the disposition data to make comparisons with the royalty data provided to the AFS. No PAAS data is contained in STATSS at the present time.

Product Value Regulations

Question: In the FY 1987 Continuing Resolution (C.R.) Congress requested that MMS publish product value guidelines for coal and oil 90 days after the C.R. was enacted and gas 120 days after enactment. MMS has met both of these deadlines with draft regulations appearing in the Federal Register in February and March. It is the intent of these guidelines to provide definitive and consistent guidance to industry for valuing production from Federal and Indian leases for royalty purposes. One of the changes in the regulations MMS is proposing is to no longer approve transportation or processing allowances. Instead they will be reviewed in greater detail. Can you elaborate on this change?

Answer: At the present time, payors submit to MMS requests for processing and transportation allowances with documentation such as actual cost information, FERC-approved tariffs, contracts, exchange agreements, and invoices in a nonstructured format. MMS analyzes this information, computes the appropriate allowance, and by letter notifies the payor the amount of the approved deduction from royalty payments.

The MMS is proposing new regulations that will have the payor compute its own processing and transportation allowance deduction, and notify MMS of the proposed allowance through filing of forms MMS-4109, MMS-4110, etc. The payor cannot deduct a processing or transportation allowance until the MMS has been notified of the payor's intent to deduct such allowance by filing the required form. The MMS's preapproval of the allowances is not required before the payor may deduct the allowance subject to review, audit, and possible later change by MMS if they represent less than one-half of the given proceeds for transportation and two-thirds of the gross proceeds for processing. Above these thresholds preapproval is still required. Accordingly, for the most part, under the proposed regulation, MMS's procedures will change from the computation and preapproval of allowances to the monitoring of allowances reported and deducted by payors and the review of selected lease deductions in much greater detail than is now possible under current procedures.

Question: What has been industry's reaction?

Answer: Industry favors the streamlining in the approval process but is not enthusiastic about the reporting procedure.

Question: How can you assume this change if the regulations aren't final?

Answer: The MMS would find it very difficult to change from a full approval process to full monitoring and selective review process without the new regulations and forms. At present, industry submits raw data in letter form and MMS computes and approves allowance rates based on the data submitted. Under the proposed regulations, for the most part, industry would submit allowance notifications on forms which MMS would use as the basis of a broad monitoring and selective detailed review program. The MMS believes that a broad monitoring and selected review type of effort can be more effective because MMS will be able to develop priorities of its workload once the new regulations are in place. Allowances involving small amounts of money now require as much time to compute and approve as allowances which are much larger and have much greater potential for overstating deductions or other program abuse.

Question: If this is not part of the final regulations, will additional funds be necessary to review these allowance applications?

Answer: Yes, additional funds would be needed to continue the program in its current form. Requests for transportation allowances doubled from 1985 to 1986 and it is expected these requests will continue to increase. Accordingly, additional staff would be necessary to handle this increased workload.

Question: What is the timeframe for these regulations?

Answer: The MMS anticipates that the product valuation regulations, including transportation and processing allowance sections, will be in place by the end of FY 1987.

Mineral Revenue Compliance Program

Question: In FY 1987 in the Mineral Revenue Compliance Program, bill language was included requiring MMS to spend $11,059,000 in this program. Will it be difficult to spend the required $11,059,000? If you are unable to spend these funds efficiently, I hope you would propose to have them reprogrammed.

Answer: Because of the prompt hiring of the additional auditors and support personnel, MMS will require most or all of the $11,059,000 for personnel costs, related start-up expenses for a one-third increase in staff, and increased funding for the Sections 202 and 205 delegated and cooperative audit programs. Should it become apparent that surplus funds are available beyond what can be effectively utilized for the royalty audit program, they will be proposed for reprogramming to areas of the greatest need.

Reimplementation of AFS Software

Question: The Minerals Management Service (MMS) contracted with Martin Marietta Data Systems to reimplement the required software for the new AFS computer system. This work has been met with delay after delay and it is my understanding MMS has fined Martin Marietta $979,000 for these delays. You are requesting a decrease of $600,000 in anticipation that this contract will

be accepted and placed in operation during FY 1987. Since this budget was put together several months ago do you still have the confidence that this system will be implemented in FY 1987?

Answer: The reimplemented AFS was tested and delivered by Martin Marietta on February 12, 1987, and is currently in acceptance testing by Royalty Management personnel. Following completion of acceptance testing in April 1987, the AFS will be run in parallel operation for a minimum of 2 months. MMS expects that the system will be fully implemented in FY 1987. It should be noted that MMS did not "fine" Martin Marietta but simply withheld this amount as a liquidated damage pursuant to the contract.

Question: Will those people stay on until the system is ready?

Answer: The System Integration Project team will remain in place until the system is fully implemented.

Question: What was done with Martin Marietta fines?

Answer: The liquidated damages of $979,000 were withheld from progress payments otherwise payable to Martin Marietta during FY 1986. Because of the delays, VAX computers had to be used to continue to operate the AFS in FY 1987, a requirement which was unforeseen in the FY 1987 budget. Therefore, the liquidated damages received as a result of the delays were applied against the specific and direct costs of the delay--the continued operation and maintenance of the AFS on VAX computers.

Question: Even before MMS has accepted the system from Martin Marietta, you are requesting $800,000 and 12 FTE's in FY 1988 for a long range systems improvement team. In addition, you are requesting $1.9 million for actual system upgrades in FY 1988. Doesn't this show that you still are not confident with the system and feel it will need constant upgrade and maintenance?

Answer: The primary goals of the reimplementation of the AFS from VAX computers to an IBM mainframe were to relieve hardware capacity problems, improve controls, and accelerate and streamline various processes. The reimplementation was not intended to build in new capabilities required by MMS and its constituents nor substitute for ongoing system maintenance. MMS has been very clear on this aspect of the plan.

Question: I hope you aren't requesting these funds as a way to complete the Martin Marietta contract one way or another and move on to another system?

Answer: The requested funding has no relationship to the Martin Marietta contract. After the reimplementation and for the foreseeable future, MMS will operate the AFS on the IBM mainframe computer.

Question: Please provide for the record, a further explanation of the proposed use of the $800,000 and $1.9 million.

Answer: The $800,000 request is required to establish a dedicated systems improvements group for the Royalty Management Program. To date, RMP system designs efforts have been characterized by short-term high-visibility implementation schedules and hardware restrictions which severely limited designers in establishing efficient, all-purpose systems. Of the total request, $550,000 will finance a 12-person design team to analyze RMP's long-range system needs and formulate a systems strategy for the next decade.

The team will analyze currently operating systems compared with fundamental royalty management objectives, legal requirements, legislative mandates, needs of States and Indians, and policy directives. The four currently operating RMP systems (Auditing and Financial System, Production Accounting and Auditing System, Bonus and Rental Accounting Support System, and State and Tribal Support System) will be analyzed to identify opportunities for streamlining, consolidating, revamping, or simply updating to improve efficiency and effectiveness. The team's effort will be augmented by $250,000 in contractual support for expert systems planning and analysis. The team's findings and recommendations will be used by program, bureau, and departmental management to chart the course for RMP's long-range systems development.

Because of the rapid implementation schedule for current systems, the obvious redundancies and inefficiencies of these systems, the growing lists of improvements demanded by MMS users as well as States and Indians, and the enhanced opportunities inherent with the mainframe hardware, MMS is certain that a major systems improvement effort will be necessary. Depending on the outcome of the System Improvements Team's study, these major improvements could range from upgrading and enhancing current systems to totally integrate all RMP functions into a single new multifunctional system. The request of $1,900,000 will finance the first phase of a major systems design contract for modifying existing systems. The System Improvements Team will oversee all phases of this design effort, as well as implementation and ongoing long-range systems planning.

Question: You have requested an additional $300,000 in telecommunications funds because of the increased access of the STATSS. What calculations were used to determine this figure?

Answer: The additional $300,000 is requested for data communications hardware and related software that is needed to provide access to users of the Royalty Management Program's data bases. These data bases are accessed by approximately 200 remote users, with growth to 300 expected in FY 1988. To enable RMP to continue to provide access to this data to our current and future users, the capability of the present communications network must be increased by providing for increased access, higher data transmission speeds, and secure date lines to protect confidential data. To provide for this, the following hardware and line changes are required:

Tymnet miniengine w/SDLC	$ 15,000
Port selectors (2)	16,000
Modems (16, 9600bps)	25,000
Synchronous adapter cards (45)	54,000
Telecommunications security	56,000
Data transmission line costs	125,000
Supplies	9,000
	$300,000

Question: In last year's Continuing Resolution, report language was included requesting the Royalty Management Advisory Committee (RMAC) to study the current adjustment procedures that payors make to data in the Auditing and Financial System. Since the RMAC will not meet until later this month, MMS proceeded with a study and will present it to RMAC for their review. In reviewing your report, ten alternatives were examined, none of which were deemed suitable for implementation "at this time." What do you mean "at this time?" Are all ten alternatives acceptable to MMS it is up to the RMAC to choose one?

Answer: The MMS does not believe immediate changes to the Auditing and Financial System (AFS) adjustment process are advisable until two other review efforts are completed. The Royalty Management Program is conducting an extensive review of RMP's automated royalty collection and accounting systems. The review will look into many aspects of how RMP conducts its royalty management functions, looking for potential improvements that would, among other things, simplify the process, reduce the reporting burden on industry, maximize royalty revenues, and move the money collected faster. The integrated nature of the AFS system, however, requires that each proposed change be analyzed for impact on other AFS processes. RMP is expected to complete its review late this summer, with final recommendations expected early in the Fall, 1987. In addition, the RMAC Work Panel on Systems Improvement, which will be convened after the March 1987 RMAC meeting, is being asked to review the Adjustments Study and make any recommendations it considers appropriate. Given these activities, MMS does not feel that immediate implementation of changes to the AFS adjustment process is advisable or appropriate.

The Adjustment Study identified ten alternatives to the AFS adjustments process which could lead to a reduction in the number of adjustment transactions, or increased control over adjustments. Following further review, the RMAC could recommend adoption of one or more alternatives, or agree with MMS that immediate changes are not warranted.

Question: What is the timeframe of this change or non-change?

Answer: Specific decisions regarding RMP systems and the AFS adjustment process are expected in the fall of 1987. The implementation timeframe for changes is unknown since the number, nature, and complexity of system changes that will be adopted are not yet known.

Net Receipts Sharing

Question: Just like clockwork, you have once again proposed to deduct what you feel are relevant costs prior to distributing mineral revenue payments to the States. Are you tired of this proposal?

Answer: We continue to propose deducting relevant program costs from Federal onshore mineral leasing receipts prior to distributing mineral revenue payments to the States because we feel it is equitable. Historically, the States have shared the gross receipts of the onshore minerals programs without taking into account the Federal costs of obtaining and distributing those receipts. The onshore minerals programs have been funded entirely by the Federal Treasury, while the States have shared only in the distribution of revenues. It is clearly more equitable that the costs be shared by the direct beneficiaries of the program, rather than being borne entirely by the general public as is currently the case. We believe that this is a reasonable proposal based on an equitable method of sharing the costs of collecting and distributing mineral revenues.

Question: Is there any reason to believe that Congress will go along with this proposal this year?

Answer: This proposal is a responsible and equitable effort towards sharing the burden of reducing the budget deficit between the Treasury and the States. In order to meet the FY 1988 Gramm-Rudman target without significantly reducing services provided to States, it is necessary to adopt proposals such as this.

Amalgamated OCS California Plan

Question: After more than 2 years of consultation, Secretary Hodel recently released an amalgamated proposal for oil and gas leasing on the Outer Continental Shelf (OCS) offshore California. Could you briefly comment on the contents of this amalgamated plan?

Answer: The Draft Proposed Final Program for Outer Continental Shelf (OCS) Oil and Gas Leasing offshore California covers the 5-year period from mid-1987 through mid-1992 and includes the following key features:

Size of Sales--The Presale Process

The proposed presale process is referred to as "focusing on promising acreage." In the case of OCS sales offshore California, the focus will reflect the geologic character of the OCS offshore California and the results of the extensive OCS consultation process. The amount of acreage actually offered for lease offshore California will be restricted not only for environmental reasons but also because of other ocean uses, including military operations offshore. A phased leasing provision concerning the Camp Pendleton Amphibious Assult Area and the Encinitas Naval Electronics Testing Area is incorporated in the Draft Proposed Final Program. Each of those areas would be divided into two sectors; active leases would

be allowed in only one sector of each at any one time. Only one of two tracts nearest shore in a sector could be leased at one time for the Encinitas area.

Schedule of Sales

The acceleration provision of the Proposed Program has been dropped. This provision contemplated a return from the 3-year cycle of sales to a 2-year cycle, if activated.

The Draft Proposed Final Program proposes five standard sales at a triennial pace: 1989 and 1992 sales are proposed for the Northern and Southern California planning areas; and a 1990 sale is proposed offshore Central California.

Tentatively scheduled to be held in late 1988, the first annual supplemental sale would offer a small number of blocks from any planning area other than the Central and Western Gulf of Mexico. Rejected and forfeited bid blocks and development blocks (including those susceptible to drainage) could be considered for offering. Consideration for offering could be given to blocks on which bids were rejected or forfeited during the preceding fiscal year. Should an annual supplemental sale not occur for any reason, a subsequent supplemental sale might include rejected and forfeited bid blocks which could have been included in the sale not held. A modification of existing Interior regulations governing OCS sales is being developed for the implementation of supplemental sales. The publication of the proposed regulations is tentatively scheduled for early 1987.

Proposed Subarea Deferrals

The proposed deferrals in the Draft Proposed Final Program include deep water areas generally beyond the 900 meter isobath in all three California OCS planning areas and, in addition, the following areas:

Northern California

- Coastal buffers offshore the Redwoods National Park Area of Special Biological Significance (ASBS), Trinidad Head ASBS, Kings Range National Conservation Area (the area offshore Cape Mendocino/Punta Gorda), and the Pygmy Forest Ecological Staircase.

Central California

- A coastal buffer offshore the Kelp Beds at Saunders Reef ASBS, the Del Mar Ecological Reserve, and Gerstle Cove ASBS.

- The area offshore Point Reyes, the Point Reyes - Farallon Islands National Marine Sanctuary, offshore San Francisco Bay, and the immediate vicinity of Cordell Bank.

- A coastal buffer offshore the James V. Fitzgerald Marine Reserve.

- A coastal buffer offshore Point Ano Nuevo Point and Island ASBS and overlapping the northern portion of the Sea Otter Range.

- o The large area offshore Monterey Bay and Big Sur.
- o A coastal buffer south of the Big Sur proposed deferral, overlapping the southern portion of the Sea Otter Range and adjacent to the Mouth of Salton Creek ASBS.

Southern California

- o The Santa Barbara Federal Ecological Preserve and Buffer Zone.
- o The Channel Islands National Marine Sanctuary.
- o The area offshore Santa Monica from Point Dume to Point Fermin.
- o A coastal buffer offshore Newport Beach and Irvine Coast Marine Life Refuges and Heisler Park ASBS.
- o A coastal buffer offshore San Diego Marine Life Refuge and San Diego-La Jolla Ecological Reserve ASBS.
- o The area offshore San Diego; and the San Nicolas Basin Navy Operating Area.

Fair Market Value

The fair market value element of the program would confirm the decision announced in the Proposed Program. The minimum bid would remain $150/acre as the basic approach subject to reconsider on a sale-by-sale basis. Likewise, current bid acceptance criteria would be retained as the basic approach, subject to sale-by-sale reconsideration. These requirements are reviewed in Appendix K of the Secretarial Issue Document.

Stipulations

Interior intends to include levels of protection similar to those recommended in Governor Deukmejian's proposal in individual leases at the time of the sale. The Draft Proposed Final Program highlights all proposed stipulation topics for consideration during the sale-specific consultation process (in particular, the EIS scoping process pursuant to the National Environmental Policy Act and the consultations with the Governor at the time of issuance of the Proposed Notice of Sale required by section 19 of the OCS Lands Act) for OCS sales offshore California, including the following:

- Governor Deukmejian's proposal for stipulations concerning: air quality; oil spills; transportation (pipelines); onshore facilities; fisheries; biological resources; important biological resources; marine biota; discharges; oil processing; cultural resources; operations controls; hold harmless; hazardous dumpsites;

navigation safety; water use; timing of operations; and protection of military areas.

- Congressman Regula's proposal for stipulations concerning: air quality; oil spills; transportation (pipelines); and onshore facilities.

- Congressman Panetta's proposal for stipulations concerning: air quality; oil spills; transportation (pipelines); onshore facilities; fisheries/biological resources; and discharges.

SUBCOMMITTEE RECESS

Senator BURDICK. Thank you.

The subcommittee will stand in recess until 9:30, Friday, March 13, when we will have testimony from administration witnesses for the fiscal year 1988 budget request of the Forest Service.

[Whereupon, at 2:35 p.m., Tuesday, March 10, the subcommittee was recessed, to reconvene at 9:30 a.m., Friday, March 13.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1988

THURSDAY, MARCH 19, 1987

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:10 p.m., in room SD-192, Dirksen Senate Office Building, Hon. Harry Reid presiding.

Present: Senators DeConcini, Reid, and Cochran.

NATIONAL ENDOWMENT FOR THE ARTS

STATEMENT OF FRANK HODSOLL, CHAIRMAN

ACCOMPANIED BY:

HUGH SOUTHERN, DEPUTY CHAIRMAN FOR PROGRAMS
ANTHONY TURNEY, DEPUTY CHAIRMAN FOR PUBLIC PARTNERSHIP
JACK BASSO, DEPUTY CHAIRMAN FOR MANAGEMENT
KATE L. MOORE, DIRECTOR, POLICY, PLANNING, RESEARCH AND BUDGET

OPENING REMARKS

Senator REID [presiding]. The subcommittee will come to order.

Today, the subcommittee will take up the fiscal year 1988 budget request for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

Testifying on behalf of the National Endowment for the Arts is Frank Hodsoll. Testifying on behalf of the Humanities will be Lynne Cheney. Lois Burke Shephard will testify on behalf of the Institute of Museum Services.

BUDGET REQUEST

We will begin with the National Endowment for the Arts. The fiscal year 1988 budget request for the National Endowment of the Arts is $145,200,000, a reduction of almost $20 million below fiscal year 1987.

Mr. Hodsoll, we welcome you before the subcommittee this afternoon. I believe that support of the Arts and Humanities should be of the utmost importance to the Nation. The programs which the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute for Museum Services support have taken Arts and

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Humanities out of the hands of the wealthy and privileged and brought them into all of America.

The State of Nevada is an extremely good example. We had an extremely successful Artist-in-Residence Program, which is supported by the State endowment for the arts.

In addition, the nationally recognized cowboy poetry contest held in Elko each year is supported in part by the folk arts NEA grant.

These programs are often looked upon as frivolous and unnecessary, particularly in times of fiscal austerity. Yet, it is through the arts and humanities, through cultural exchanges, that we have been able to continue a meaningful contact with countries, for example, behind the Iron Curtain, when other efforts have broken down.

Given this, I have to ask myself, and I think we should all ask ourselves:

Can we afford not to sufficiently fund our cultural programs?

I think the obvious answer is no.

I'd like to thank each of you again for being here, and I look forward to the testimony. Will you proceed?

INTRODUCTION OF ASSOCIATES

Mr. HODSOLL. Thank you very much, Mr. Chairman. May I begin by introducing those at the table?

Senator REID. Please do.

Mr. HODSOLL. On our immediate left is Hugh Southern, our Deputy Chairman for Programs.

On his left is Kate Moore, our Director of Policy, Planning, Research and Budget.

On my immediate right is Anthony Turney, our Deputy Chairman for Partnership.

On his right is Jack Basso, Deputy Chairman for Management.

PREPARED STATEMENT

If I may, Mr. Chairman, I have a prepared statement. May I submit it for the record?

Senator REID. That will be made part of the record. We ask that you summarize that.

[The statement follows:]

STATEMENT OF FRANK HODSOLL

It is a pleasure for me to be here today to discuss the Administration's request for $145.2 million for the National Endowment for the Arts for Fiscal Year 1988. This sum includes $119.3 million for grants and administration and $25.9 million in matching (indefinite Treasury and Challenge) funds. On behalf of everyone at the Endowment, I would like to express my gratitude to this Committee for its continued support and concern for the work we do.

The budget request before you today demonstrates the Administration's commitment to a strong Federal presence in support of the nation's arts. It will enable the Endowment to provide an important level of Federal support for the arts, while acknowledging our responsibility, along with other sectors of the government, to reduce the Federal budget deficit.

The budget we have proposed is presented in the context of a solid economy. The Bureau of Economic Analysis reported that, in 1985, revenues of not-for-profit performing arts events increased 11%, and for the first time exceeded revenues from admission to sporting events. Real GNP grew 2.7 percent in FY 86, and is forecast to grow another 3.2 percent in FY '87. This growth should encourage the arts generally.

Private donations to cultural endeavors provide by far the largest share of contributed income. We were pleased to note that, according to the most recent figures from the American Association of Fundraising Counsel, private giving increased in 1985 by approximately 13 percent over the previous year, reaching an estimated level of $5.09 billion. This represents an increase of 62 percent from 1980.

In addition to these encouraging signs, support for the arts from state and local governments continues to grow. The National Assembly of State Arts Agencies reported in November 1986 that state appropriations for the arts for FY 87 total $216.6 million. This figure sets a record for state appropriations. Support from local governments is in a period of dramatic growth, as well. The National Assembly of Local Arts Agencies estimates that city and county government support will increase 109 percent in the period from 1986-1988, as funding sources become more varied and the role of county governments increases.

While over 95 percent of earned and contributed income for the arts derives from this combination of private, state and local sources, we believe the Endowment has an important role to play in recognizing and supporting artistic excellence and access to and appreciation of it. The Endowment's peer panel system and the National Council on the Arts provide for a national focus on artistic concerns, audiences and the arts in education. With the support and guidance of the Administration and Congress, the Endowment's aim is to foster excellence in the nation's arts and encourage continued growth of support for the arts and increased access to them for all sectors of our population.

In FY 86 the Arts Endowment awarded approximately 3,700 grants to organizations and agencies, totalling approximately $135 million. In addition, we awarded nearly 775 individual grants and fellowships, for approximately $8 million, to individual artists and arts professionals. Our continuing partnership with the state and local arts agencies and regional organizations, provides an important dimension of support, with effects that are felt in innumerable cities and local communities in every state.

HIGHLIGHTS OF RECENT ENDOWMENT WORK

The Endowment has prepared to move in new directions in four key areas. These new directions reflect the outcome of careful evaluation and consultation involving our own staff, the arts community, and the Congress. These changes are in the areas of Arts in Education, the Test Program of support for Local Arts Agencies, Advancement, and Challenge.

Arts in Education

During the past few years, the Arts Endowment has been engaged in intensive review of its arts education activities including the former Artists in Education (AIE) Program. Our Public Participation in the Arts study showed that 61% of American adults did not attend, even once, in 1982 any live performance of jazz or classical music, theater, opera-musical theater, or ballet, nor did they visit an art gallery or museum. The Congressional declaration of purpose for the Endowment-- that "high civilization must... give full value and support to the other great branches of scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future..."and the recent enactment in 1985 of a new purpose--"that Americans should receive in school, background and preparation in the arts and humanities to enable them to recognize and appreciate the aesthetic dimensions of our lives, the diversity of excellence that comprises our cultural heritage, and artistic and scholarly expression;"--requires us to explore strategies to make the arts more a part of the lives of all Americans.

We are pursuing two basic strategies in this education area: (1) television programming in the arts for young people, and (2) encouraging the arts to be made a basic part of education from kindergarten through grade twelve.
In television, we have entered into a partnership with the J. Paul Getty Trust to develop a children's television series aimed at homeviewing for young people age eight to ten. If successful, the series will have accompanying printed materials which we hope will eventually be used by teachers in the classrooms. We have awarded funding to WNET (Channel 13, New York) and Learning Designs to complete the research and development phase for three programs.

In the context of general education reform, the Arts Endowment gave serious attention to the question of how to encourage--in the schools--the arts as basic in education. During 1984, we cosponsored with the National Assembly of State Arts Agencies (NASAA) a series of regional meetings in Louisville, Kentucky; Fargo, North Dakota; Los Angeles, California; Salt Lake City, Utah; and Boston, Massachusetts. At these regional meetings we heard from representatives of state education agencies, state arts agencies, as well as school administrators, arts educators, parents, teachers, and higher education institutions that train teachers.

In 1985, we co-funded, with the Rockefeller Foundation and the Department of Education, the Council of Chief State School Officers (CCSSO) to sponsor a national meeting and to undertake a survey of state education policies related to the arts. The survey helped determine what the states were doing in this area with regard to general educational goals and curriculum, testing, textbooks, graduation requirements and funding.

With information gleaned from the regional meetings, NASAA and the CCSSO survey, it seemed appropriate to consider some changes in our Artists in Education Program. This was endorsed, too, by

represesentatives of arts institutions, who expressed their enthusiasm for nurturing audiences of the future.

After consultation with NASAA, NALAA (National Assembly of Local Arts Agencies),associations of arts educators and other interested parties, we convened two consecutive Ad Hoc Advisory Groups on Arts Education to discuss new guidelines for the AIE Program. There was a general consensus that arts education efforts could be improved by (1) making teaching of the arts more substantive in content and more central to overall school requirements; (2) defining the goals and objectives of arts education (what should be learned, at what ages); (3) providing greater emphasis on history and analysis in addition to development of artistic skills; and (4) developing sequential curriculum and better textbooks, as well as better methods of testing and evaluation. The importance of finding ways for general classroom teachers to participate in special training to augment their knowledge of the arts was stressed, as was providing opportunities for arts specialists to work more closely with general teachers.

The National Council on the Arts in May 1986 recommended re-naming the Program "Arts in Education" and amending it in accord with the results of the earlier explorations and discussions. In February 1987 the Council recommended the funding of 16 State Arts Agency planning grants under these new guidelines.

Currently we are working with the Department of Education on two projects related to arts education: (1) a Fast Response Survey questionnaire to be sent in the spring of 1987 by the Department to a sampling of school districts in the U.S. to get information on goals, courses, personnel, etc. (2) finalizing an Interagency Agreement which would assist in exploring four components of arts education: standards or goals for student achievement, curriculum, allocation of appropriate resources, and regular evaluation and testing of student programs in the public schools. We are pleased to note that a recent publication of the Department of Education entitled First Lessons, A Report on Elementary Education stated that "the Arts are an essential element of education, just like reading, writing and arithmetic."

The Congress, too, has expressed its interest and support for this effort. In 1985, language was added to the Endowment's enabling legislation making arts education in schools an explicit purpose of our existence and mandating by the end of 1987 a study and report to the President and the Congress on the state of arts education and what the Federal government should do to help. We at the Endowment are committed to doing all we can to implement the Congressional mandate. We are most enthusiastic about the possibilities of these important efforts, and will work to advocate planning and coalition-building, so that over time the arts might become a sequential and basic part of education in the schools.

Test Program of Support for Local Arts Agencies

During the past year the Endowment completed its evaluation of the Test Program of Support for Local Arts Agencies. The "Test" Program has stimulated significant increases in new state and local government support for the arts. Grants of $8,000,000 provided during the four-year test period are expected to generate over $56,000,000 in matching funds of which $41.2 million is new publicly appropriated state and local funds for the arts. With 43 grants to state and local arts agencies, the Program has reached 8,894 arts organizations in 2,539 communities in 30 states. Nearly 198 local arts agencies

participating in the program are located in communities of 50,000 or less.

The program has encouraged many communities -- ranging from Boston, Massachusetts to Springville, Utah -- to establish local arts agencies. Significantly increased support to arts institutions has come about through grants in Seattle and Atlanta. Funds for small arts organizations and artists have been established in Memphis, Tennessee; San Diego, California; Denver, Colorado and White Plains, New York. New facilities for artists are being created in New Haven, Connecticut; Clarksdale, Mississippi and Durham, North Carolina. Alabama, Ohio and Oregon are only a few of the 15 states which have established programs for local agencies as a result of our grants.

In order to continue the progress made during the test period we have established the Local Programs as a permanent program of the Arts Endowment, and we have proposed increased funding in FY 88 for the Local Programs.

Advancement

The Advancement Program began as a pilot in FY 80 to assist smaller arts organizations of the highest artistic quality in achieving improved levels of financial and administrative stability. The Program's two-phased funding process provided technical assistance and encouraged a high degree of matching funding. To date, more than 100 organizations have been assisted in Advancement, and our 1985 evaluation of the Program and subsequent discussions with the field confirm the Program's success. For example, the Canton Symphony Orchestra in Canton, OH, a 1985 Advancement grantee, used $75,000 in Federal funds and $225,000 in matching funds to establish a $300,000 cash reserve. A Theater Advancement grantee, Independent Eye, Ltd., Lancaster, PA, has used its Advancement grant and matching funding to renovate its facility and expand long term annual giving. While Independent Eye is still actively raising matching funds for its Advancement grant, it has met or surpassed all fundraising goals to date. As a result of the evaluation and the successes of organizations such as these, the Endowment has reinstituted the Advancement Program.

Challenge

The Endowment has recently completed an intensive consultation process with representatives of large and small arts institutions, private patrons, representatives of state and local arts agencies, and experts in the fields of media, publishing and education. Since the current Challenge Program will reach by the end of FY 87 the vast majority of arts institutions of national significance with established reputations of artistic excellence, it was essential that we explore the future directions of the Program. The history of the Challenge Program shows that the Program has primarily benefitted the most institutionalized fields, in particular museums and orchestras. Since the Challenge Program has from the beginning been designed as a Matching Grant complement to the Endowment's Programs, and has focused on stimulating long term improvements, it seemed to us that it should be available to assist all the fields. At the same time, the Congress, during the Endowment's 1985 reauthorization process, expressed the view that the Challenge Program should be broadened to encourage participation by state and local arts agencies. We have therefore re-directed the Program to support major projects in the areas of artistry, access, appreciation, and non-federal support systems. The guidelines for this redirected program -- Challenge III -- were recommended by the National Council on the Arts in November 1986, and we will accept applications in July.

RECENT ENDOWMENT INITIATIVES

In FY 88, we will also provide support for several initiatives--some new, some ongoing--designed to encourage artistic excellence and increase access and exposure to excellence in the arts for audiences across the nation. These initiatives are described more fully in the Endowment's budget justification document, but I would like briefly to mention a few of them here to draw a picture of some of the various ways the Endowment accomplishes its mission.

Expansion Arts: Community Foundation Initiative: This effort stimulates the development of endowments within community foundations to provide continuing funding for the improvement of artistic quality and financial stability of minority and emerging arts organizations which are important artistic resources in their communities but need increased access to private funding to help strengthen their operations.

Dance/Inter-Arts/State Programs Presenting/Touring Initiative (DIS): This joint effort of the Dance, Inter-Arts and State Programs assists state and regional arts agencies to make grants to presenters for the artists' fees of out-of-state dance companies. It helps audiences in smaller communities enjoy dance companies which might not otherwise tour to their regions. In the 1985-86 season this program reached 400 communities nationwide (70 percent with populations of 100,000 or less).

Music: Orchestra Touring Program: This pilot, jointly funded by the Arts Endowment and Southwestern Bell Corporation and administered by the Mid-America Arts Alliance, will enable two major orchestras in the region served by Southwestern Bell to tour into areas of Arkansas, Kansas, Missouri, Nebraska, Oklahoma, and Texas that are normally unable to afford the costs of such concerts.

Media Arts: Programming in the Arts: The Programming in the Arts category has initiated and maintained several series of the highest quality for public television and radio. Well-established ongoing series such as Live from Lincoln Center, Live from the Met, and Dance in America have established secure places on the agendas of millions of viewers (average 4 million viewers per telecast). American Playhouse has renewed the promise of original drama on public television. Recent series, such as American Masters and Alive from Off-Center, quickly demonstrated a capacity to bring to a vast public the lives and works of major American artists in every art form, including aspects of experimental art that appeal to younger audiences. Radio series, such as American Jazz Radio Festival, Performance Today, and Mountain Stage, confirm the growth of the national radio audience. New television series under development include America by Design (on architecture) and Voices and Visions (on original voices in American poetry).

Western Hemisphere Cultural Exchange: In addition to these initiatives and others described in the budget justification, there have been some promising developments in the area of cultural exchange with other nations in the Western Hemisphere. Record audiences attended the theater, music and dance performances by U.S. Hispanic and Latin American artists presented by the New York Shakespeare Festival's month-long Festival Latino in September. Of the several museum professionals who are traveling to Latin America on Endowment fellowships to explore possibilities for exchanges and visual arts exhibitions, two have already returned with exhibition plans for their institutions. Plans are underway for the Pan American Arts Festival which will complement the Pan American Games opening in Indianapolis in August 1987; the Festival will

include a large exhibition, "Fantastic Art in Latin America," at the Indianapolis Museum; a display of folk arts which will travel to numerous other locations; and performances of Canadian and Latin American composers by the Indianapolis Symphony.

FY 1988 BUDGET REQUEST

The request of $145.2 million for FY 88 will be used to 1) support the work of the nation's most excellent artists and arts organizations, 2) support access to such work, 3) stimulate and support projects with the potential for making the arts a more basic part of education Kindergarten through Grade 12, 4) encourage additional funding for excellent projects and for capitalization, and 5) fund the administrative structure which supports our grantmaking and leadership activities.

We estimate that this request will support nearly 4,000 grants in FY 1988 and virtually all of the Endowment initiatives funded in FY 87; our proposed budget will also provide for the launching of several new efforts.

Grants and Administration

1. Grants

Of the requested $119.3 million for Grants and Administration in FY 88, $103 million will be used to support outstanding artistic projects, fellowships, state and local arts agencies, and other activities which strengthen artistic excellence, bring the arts to wide audiences, and strengthen arts education in our schools. These monies will support the activities of the arts programs as well as the partnership programs, and policy, planning and research. The remaining funds ($16.3 million) will be used to cover the Endowment's administrative costs.

In addition, the proposed budget will support the Local, Advancement and Arts in Education Programs, as they have evolved, as follows:

Local Programs ($2.5 million). These funds will support Local Programs as a fully established program. Local Programs will continue to award funds designed to stimulate new and increased local public funding and improve local planning and process on behalf of the arts and audiences. In addition, it will provide a select number of planning grants to less developed local arts agencies whose level of funding or management expertise may preclude participation in the high matching grant category. Support for leadership training will also be provided.

Arts in Education ($5.1 million). FY 88 marks the first full year of the Program's new direction. For the first time, grants will be awarded to states which, having undertaken an effective planning process, are prepared and committed to encouraging the development of the arts as a part of basic education. These grants will be awarded under the newly-established Arts in Schools Basic Education Grants category.

Advancement ($2.5 million). FY 88 marks the reopening of the Advancement Program. Organizations will once again be eligible for technical assistance in areas such as organizational development, management and planning, and for funding to implement specific initiatives. This program will be open to Dance, Design Arts, Folk Arts, Literature, Media Arts, Opera-Musical Theater, and Visual Arts organizations in FY 88, and to the other programs in FY 89.

2. Administration

In order to implement the initiatives highlighted in our budget submission, maintain the quality of the Arts Endowment's grant-making process and continue to be responsive to the fields we serve, our administrative support functions must be adequately funded. Therefore, we are requesting an operating administrative budget of $16.3 million for FY 88. While this proposed budget represents an 8.6 percent increase over FY 87, 85 percent of the increase is attributable to government-wide mandated increases in fixed costs; e.g., the full cost of the three percent increase in pay for Federal employees enacted in FY 87, the costs of the new Federal employee retirement system, increases in space rental costs over FY 87, and the effects of the increased GSA travel and per diem rates, especially for our panelists.

In making this Administration budget request, we have made every effort to hold down costs and to take advantage of productivity enhancements such as our new grants management computer system and our cross-servicing of payroll activities and personnel data processing with the Department of Agriculture's National Finance Center. These and other measures have permitted us to manage a growing workload without requesting proportionate increases in staff. This proposed FY 88 budget will permit us to fund our full complement of 258 FTE, down from 325 in FY 81.

We are maintaining the reduced level of 258 FTE, not withstanding the additional responsibilities, mandated by Congress, of a) developing and implementing a practical system of information and data collection on the arts, and b) developing in writing a biennial State of the Arts Report, to encompass artistry, finances, audiences, and arts education. Based on what we know now, this FTE and the corresponding allocation for research ($525,000) will allow us to begin this effort. We will know towards the end of 1987 whether additional FY 88 or FY 89 funds will be required.

While I believe that the requested level is adequate to enable us to carry out our functions, any reduction below this level would likely seriously jeopardize our ability adequately to carry out our mission.

Matching Grants

The Endowment requests for FY 88 $25.9 million in matching funds (indefinite Treasury and Challenge) which will assist in the generation of nonfederal support for the arts, the long term strengthening of our best arts institutions, and the stimulation of projects with potential to further artistic excellence and appreciation of it, as well as access to the arts of quality.

1. Treasury Funds

The Endowment requests $9 million in Treasury funds. These funds, generally matched three to one, will support larger-scale projects undertaken by orgnizations in the performing arts fields and in the fields of media arts and museums. These funds will also support Advancement grantees selected in FY 84 and FY 85, who are now raising the match required in the second phase of this Program.

2. Challenge Funds

The Arts Endowment requests $16.9 million in Challenge funds. While this request is a reduction from previous years, it will allow us to support the best applications in Challenge II (by combining funds with the FY 87 appropriation) and establish the

redirected Challenge III concept. In Challenge II, funds were used to establish or augment endowments, undertake capital projects, reduce deficits or implement long-term artistic initiatives. In Challenge III, funds will encourage projects with the potential for significant and lasting impact on the arts and access to, and appreciation of, them. Challenge grants will finance major projects of the highest artistic quality on a national basis, projects improving access to quality arts, projects broadening an appreciation of the arts, and projects which enhance long-term nonfederal support for the arts. The Challenge Program, which has stimulated approximately $1.2 billion in new and increased funding since its inception ten years ago, will continue to focus on lasting improvements but will be directed to a broader range of purposes and fields, including but going well beyond the needs of the most institutionalized fields and individual arts institutions.

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The budget we propose for the National Endowment for the Arts for FY 88 will enable us to continue support for the programs and initiatives that we have begun and to move in important new directions as well. We will be able to provide substantial funding for the best of the nation's arts activities, stimulate the network of public and private contribution that is the major support for the arts in our country, and exercise leadership on behalf of artistry and access to and appreciation of the arts. This level of funding is also consistent with our desire to assist in the reduction of the Federal deficit.

I am pleased to present this budget to the Committee today, and welcome the opportunity to discuss it with you.

SUMMARY STATEMENT

Mr. HODSOLL. I will summarize my statement very briefly, so that we can open this up to questions. We are requesting $145.2 million for the arts endowment. As you noted, that is a reduction from our fiscal year 1987 appropriation we feel that, given the state of the Federal budget deficit, however, it is important for the arts endowment as well as other agencies of government to contribute to the reduction of that deficit.

SUPPORT FOR ARTS IS INCREASING

In the last several years, thanks to an economy that has been doing well, support for the arts from the private sector, which, as our statute recognizes, is the most important aspect of support for the arts, has risen substantially, from about $3 billion in 1980 to a little over $5 billion in 1985. In addition, in the aggregate, the State art agencies have nearly doubled State government appropriations for the arts.

In light of these facts burgeoning support for the arts and an overwhelming Federal budget deficit, we have requested a budget of $145.2 million for fiscal year 1988.

If I may, Mr. Chairman, I will simply stop at this point to allow for your questions.

Senator REID. Thank you very much.

GEOGRAPHIC DISTRIBUTION OF FUNDS

During last year's hearings, there was a lot of discussion regarding the committee's concern that applicants from the large States appeared to be receiving a disproportionately large share of the grants in funding from the Endowment, while applicants from the smaller States, who might be less experienced in the art of preparing applications, got overlooked.

The Endowment was admonished to look into the matter and to correct what seems to be an inordinate concentration in a few geographic areas.

The appearance of inequitable distribution of awards by States could erode support for the Endowment on a general basis. This should be a priority concern to you, and it is to the subcommittee.

What have you done over the past year to identify the causes of this concentration in a few geographic areas?

And what, if anything, do you plan to do in the future?

Mr. HODSOLL. Mr. Chairman, this is a very important matter. I appreciate your raising it. Since the hearings before this committee last year, we have taken a look at our overall grant process in terms of applications and grants. The numbers that we have been able to collect in connection with each of the States appear to indicate that, in terms of the numbers of applications as well as States populations, that there is no necessary correlation between our grants going to large States on the east coast or the west coast and the amount of demand for those grants from those States.

Just to give you some examples, the average in fiscal 1985 of the number of grants that we gave in relation to applications received was 25.5 percent. In other words, if you took the whole of the Endowment budget and applications, we funded 25.5 percent of the applications received.

To give you an example of the State breakdown, in the State of New York, which is the State often singled out as receiving a disproportionately high ration of Endowment funds, the ratio in fiscal year 1986 was 26 percent—just a little bit above the average. But, in the State of Arizona, for example, it was 27 percent. In the State of Hawaii, it was 43 percent; 48 percent in Idaho, and so on.

So the point I'm making here, and we can supply for the record——

Senator REID. How did Nevada do? [Laughter.]

Mr. HODSOLL. How did Nevada do. Let me see how Nevada did. Twenty-six percent. Right even with the average. I'm sorry, 22 percent. Just a little bit below the average. [Laughter.]

I have to confess that. But the point I'm making here is that there is no necessary correlation between the size of a State and the number of grants or amount of funds they receive.

I would like to add that we are making special efforts, Mr. Chairman, to try and reach out, particularly to States that have smaller populations and rural populations. We are doing this in a variety of ways.

GRANTS TO RURAL AND LESS POPULATED AREAS

We're doing it through our Media Arts Program—programming in the arts. We have made a grant, for example, to the New York public television, WNET, which happens to be in New York, but, nonetheless, provides art programming for public television, including many States like Nevada.

So even these numbers that I'm giving you don't completely represent the total reach of our programming across the States.

Similarly, in the last several years we have started a new program which we call our Dance/Inter-Arts/State Touring Program. This program has brought dance touring out to a wide variety of States. In fact, most of the performances have been in towns with populations of less than 100,000.

Also in our Expansion Arts Program, which is primarily dedicated to supporting institutions that are rooted in and reflective of a minority inner-city, rural or tribal community, we have placed more emphasis on the rural areas, specifically in the smaller States, those big in geography perhaps, but smaller in population.

However, having said that, I have to confess to you that I think that more needs to be done. We are supporting in part the national assembly of local arts agencies conference, in Portland later this year. They will convene a nationwide symposium on the question of rural access to the arts.

We're hopeful that that will provide us with additional information and strategies as to how we better reach these areas.

TECHNICAL ASSISTANCE FOR FIRST-TIME APPLICANTS

Senator REID. Let's switch to first-time applicants.

What, if anything, is being done to help new applicants and to stimulate applicants?

We've mentioned some of the things about some of the stimulus that you feel appropriate. Would you elaborate on that?

Mr. HODSOLL. Yes, sir; I'd be happy to. We try to get our guide to programs, which is the essential information on what our Endowment does and what the grant programs are, out to as many people as possible. We use all of our networks, both the discipline networks of theater, visual arts, media, dance, museums, et cetera. We also use the State arts agency and local arts agency networks.

We have six regional representatives spread out across the country whose job it is to travel into different parts of their regions and to make sure that our information gets out.

Once the guide to programs is out, the recipients of the guide can get our guidelines themselves based on the specific interest in this or that program. And, thus, we reach as many people as possible.

We also rely very heavily on our partners on the State art agencies, for reaching first-time applicants because they reach a larger range of possible applicants than we do. They also help us in many cases to identify those who would be competitive in a national competition.

So, through all of these means, we attempt to stimulate and assist applicants.

Senator REID. What about—and this may be along the same lines—what about applicants from States like West Virginia, or maybe Nevada, that some say aren't as sophisticated in some of these areas in which the Endowment is involved?

What do you do to pique their interest in what's going on?

PUBLICIZING GRANT OPPORTUNITIES

Mr. HODSOLL. In States like Nevada, and also West Virginia, we deal primarily through the State art agencies. In those States, both have excellent State arts agencies. They have a sense of both our process and the capabilities of the arts organizations and artists in their State.

Also in a number of our arts programs—expansion arts and folk arts, for example—we have extensive networks. You mentioned, for example, the cowboy poetry reading that takes place in Elko, NV, each year. The director of our Folk Art Program has a fairly extensive network of contacts with cowboy poets from all over the Western States. And she just gets on the phone and talks to a number of them about coming to an event like the one which takes place in Elko.

Each of our programs has a somewhat different system in this respect. This varies in accordance with the needs of the disciplines. For example, in orchestras, the institutions are fairly well-established and we can circulate our information through a variety of mechanisms, including the American Symphony Orchestra League. In the case of the folk arts, it is much more individualized. And we go out through our folk art networks and, finally, as I mentioned, we use the State art agencies.

Senator REID. Would you for the committee list during the past 2 years the grants that have been given in each category by State and supply that to us?

Mr. HODSOLL. The number of grants, yes. I'd be happy to.

Senator REID. That's all I have. Thank you, Mr. Hodsoll. I will not turn the subcommittee hearing over to Senator DeConcini.

[CLERK'S NOTE.—The detailed table is retained in the committee's files and a summary table is included in the record.]

GRANTS BY STATE

	Fiscal year 1985		Fiscal year 1986	
	Grants	Amount[1]	Grants	Amount[2]
Alaska	30	$849,912	26	$778,400
Alabama	18	748,450	19	647,710
Arkansas	12	548,200	16	578,500
American Samoa	2	220,750	1	200,400
Arizona	40	1,202,820	34	1,013,400
California	578	14,004,013	572	14,357,953
Northern Mariana Islands	2	219,000	3	231,400
Colorado	55	1,446,700	62	1,778,623
Connecticut	77	2,542,715	76	2,235,050

See footnotes at end of table.

GRANTS BY STATE—Continued

	Fiscal year 1985		Fiscal year 1986	
	Grants	Amount[1]	Grants	Amount[2]
District of Columbia	171	10,160,221	158	6,980,030
Delaware	10	546,950	10	564,200
Florida	52	1,840,550	49	1,314,365
Georgia	66	3,534,430	62	2,186,770
Guam	4	308,850	2	223,200
Hawaii	35	1,019,330	22	891,900
Iowa	35	882,445	32	950,000
Idaho	20	583,320	13	569,800
Illinois	179	4,581,747	192	4,873,398
Indiana	25	982,660	24	2,181,150
Kansas	18	748,450	18	612,125
Kentucky	29	1,149,735	26	1,067,730
Louisiana	36	1,079,615	39	1,173,510
Massachusetts	248	8,099,269	231	6,282,440
Maryland	61	2,228,890	69	3,452,285
Maine	27	812,900	28	663,920
Michigan	75	3,165,053	67	1,699,360
Minnesota	131	4,811,960	120	4,398,200
Missouri	79	3,621,694	62	237,800
Mississippi	15	562,325	16	706,825
Montana	18	558,975	22	545,305
North Carolina	63	1,948,860	52	1,848,470
North Dakota	8	436,550	10	587,962
Nebraska	24	1,024,590	20	781,910
New Hampshire	21	817,585	18	754,634
New Jersey	68	1,432,395	62	1,817,612
New Mexico	63	2,170,014	54	2,036,500
Nevada	6	424,475	7	410,100
New York	1,376	35,570,672	1,291	35,697,827
Ohio	121	3,349,955	94	2,853,820
Oklahoma	14	888,600	15	677,000
Oregon	53	1,699,385	48	1,147,398
Pennsylvania	172	5,015,412	196	5,421,246
Puerto Rico	27	614,300	26	672,700
Rhode Island	27	1,249,715	27	2,101,950
South Carolina	20	866,475	24	826,000
South Dakota	8	507,630	12	448,950
Tennessee	36	1,331,690	37	1,188,100
Texas	137	6,894,427	136	6,527,883
Utah	31	1,250,740	37	1,572,500
Virginia	52	1,467,380	48	1,120,950
Virgin Islands	7	241,300	10	256,500
Vermont	24	606,150	25	699,735
Washington	98	3,106,970	98	2,960,390
Wisconsin	61	1,673,133	47	1,541,725
West Virginia	11	436,850	16	596,300
Wyoming	9	432,480	8	401,100
Total	4,689	148,567,001	4,475	140,337,311

[1] The amounts shown on this chart reflect only dollars obligated in fiscal year 1985 for challenge and advancement, which are multiyear grants. They may not reflect the entire grant amount.

[2] The amounts shown on this chart reflect only dollars obligated in fiscal year 1986 for challenge and advancement, which are multiyear grants. They may not reflect the entire grant amount.

In addition, 98 advancement participants received grants of Apple computer equipment during fiscal year 1986. These grants are listed as one grant in the amount of $0.

PEER PANEL SYSTEM

Senator DeConcini [presiding]. Senator Reid, thank you for presiding this morning.

Mr. Hodsoll, you indicate that the peer panel system is one of the most critical activities for which support is requested.

Can you describe how you select the peer panel members, and how do you respond to the argument that the peer panel system contributed to the committee's concern that applicants from the large States appear to be receiving a disproportionately large share of the grants and funding from the Endowment?

Mr. HODSOLL. Yes, sir; I'd be happy to.

First of all, we select our panels in accordance with the statutory language authorizing the Endowment. We select individuals who have exhibited expertise and leadership in the particular field, whose background represents diverse experience and knowledge in terms of the art forms involved. Second, geographical factors are taken into account as well as cultural diversity.

We make our decisions based on recommendations from our program directors. As you know, Mr. Chairman, our program directors all come from the fields. We bring our dance director from the dance field, the music director from the music field and they go back to those fields after they have completed a tour at the Endowment. Their job is to circulate the various fields and come up with a good selection of panelists in accordance with our statutory requirements.

The program panel recommendations are reviewed on the program side by my Deputy, Hugh Southern and; on the partnership side by my Deputy, Anthony Turney.

I then review them to see that all relevant factors—characteristics of different art forms, geography, cultural diversity, et cetera, are taken into account. After a final decision is made we invite the people to come in and sit on the panels.

We also go beyond what I have said to get a sense of who, particularly in different areas of the country, might be appropriate and qualified to serve on our panels. We have, for example, a special injunction to our program directors to seek out qualified panelists particularly beyond the major metropolitan centers. I, myself, go out on the road as well. Part of our travel budget is used for the purpose of getting our staff out to visit with people and see who might be able to help on these panels for different parts of the country. This is very important because résumés all look good on paper, and there's a need for us to get to know people in different parts of the country.

Now, your last part of the question, if I understand it correctly, is how do we do this, for example, in Arizona or West Virginia or Nevada? Well, we do it in ways that I have described. Our study of our panels would indicate that, basically, our panelists are spread out roughly in accordance with the number of applications received from the different areas.

For example, there are currently nine individuals from Arizona serving on our panels, which represents on the order of somewhere between 1 and 2 percent of all the panelists; and somewhere between 1 and 2 percent of the applications come in from Arizona. But that's just a spot photograph of 1 year. This varies a little bit each year. Sometimes, there may be a State that isn't represented on our panels in a given year.

Since the Senator from Nevada is here, I will report on Nevada. There's one person currently serving on our panels from Nevada.

For example——

PEER PANEL SYSTEM

Senator REID. Well, you'll have to do better than that.

Mr. HODSOLL. OK, we'll have to do better. In any event, we do keep statistics on all this. Our attempt is to cover, if not every State, every region of the country, and to make sure we have adequate representation of the West, the South, the East, et cetera.

Senator DECONCINI. I don't want to appear to be critical because I'm not. I just want to emphasize that this Senator, the Senator from Nevada, and the Senator from West Virginia are concerned that the smaller States participate in that peer review on at least a proportional basis.

I would just urge you to continue your exploration and select appropriately. You mention in response to my first question that you travel out to the States. We notice there's an increase of $60,000 over fiscal year 1987 travel. Of a total of $360,000, $316,000 is budgeted for staff travel.

This amounts to quite a bit of money, particularly per employee. How much of the amount is necessary to enable the Endowment audit and civil rights offices to fulfill their statutory and regulatory responsibilities?

And how much of the amount is for discretionary staff travel?

Mr. HODSOLL. As you mentioned, $316,000 is the total for staff travel in fiscal year 1987. I might note that that in real dollars, that figure is roughly one-half of what our staff travel was in 1980. In 1988 dollars, our 1981 travel budget would cost us $603,000. One of the first things I did when I came to the Endowment was to pare down our administrative costs fairly substantially.

However, having said that, I think it is important, for the same reasons that lay behind the questions being asked earlier, that our staff have the opportunity to get out to visit the States.

Senator DECONCINI. That is what most of that administrative travel is—discretionary staff travel?

Mr. HODSOLL. It is virtually all discretionary staff travel. You asked me about audit and civil rights. About 3.5 percent of the amount is for that purpose.

Senator DECONCINI. Is that a constant in the percentage ratio for the audit and civil rights offices?

Mr. HODSOLL. I am going to have to defer to my colleague from administration.

Jack, can you comment on that?

Mr. BASSO. Yes, Mr. Chairman, it is about constant. Having looked at some other Government agencies, proportionally some run somewhat higher, but we also spend a fair amount of desk time here in Washington drawing on audit reports that come from State government, local government, and from private sources under the current regulations to other agencies, for example, to the IRS——

Senator DECONCINI. Is that roughly 3 percent? Is that what it was last year and the year before? Do you know?

Mr. BASSO. Yes; I do. Yes; it was approximately that.

Senator DECONCINI. For 1987 and 1986? Do you have any breakdown on the average cost and the duration of out-of-town travel?

Mr. HODSOLL. Yes; we do.

Senator DECONCINI. Could you supply that for the record, or do you have it here?

Mr. HODSOLL. The average cost is between, let us say, $450 and $550. We can give you exact numbers, but between $450 and $550, and it looks to me as though—Jack, have I got it right here—that the average trip is about 2.8 days?

Mr. BASSO. Yes.

Mr. HODSOLL. Approximately 2.8 days per trip. Of course, the averages are somewhat misleading. Sometimes they are long trips, and sometimes it is a 1-day trip.

Senator DECONCINI. What is the average?

Mr. HODSOLL. The average is 2.8 days and $450–$550 per trip. So that comes to 2.8 divided into, say, $500. Approximately $200 a day, including airfare.

Senator DECONCINI. Do you plan to extend the eligibility for challenge grants to State arts agencies, and, if so, to what kind of projects and when?

DESCRIPTION OF CHALLENGE III PROGRAM

Mr. HODSOLL. Yes, sir; we do. Since our hearings last year on this subject, we have finalized a new set of guidelines for the Challenge Program. We are in the process of completing the printing of these and we will begin distribution of about 6,000 in the next week or so.

Basically, our new Challenge Program, which we will phase in beginning in fiscal 1988 and on from there in 1989 and 1990, is designed rather differently from the old Challenge Program. It is designed to fund projects that will make a difference no matter who undertakes the project, no matter whether it is a State arts agency or local arts agency or private art institution or any other institution that can help accomplish the purpose.

We have reduced the minimum grant from $100,000 to $50,000, so that while continuing the matching requirements of 3 to 1 in new and increased moneys, the minimum sized project will now be $200,000 instead of $400,000.

By switching from institutional grants to project grants, and reducing the minimum amount of the grant, we should open up the program to the less institutionalized fields and accomplish projects that will help provide access to the arts, particularly in the more rural States.

Senator DECONCINI. I take it that this will provide opportunities for all kinds of new projects and you don't think you are restricting anything?

Mr. HODSOLL. We do not intend to restrict anything except the extent of our statute is restrictive; that is, the project must be in the area of enhancing national excellence in the arts; in the area of providing access to quality arts, particularly to people who haven't generally had access in the past; arts education; and assisting non-Federal support systems to build up additional support for the arts—which would, of course, include the State arts agencies.

ARTS IN EDUCATION

Senator DECONCINI. How do you foresee the development of the Artist in Education Program? Would you plan to allocate more funds equal to the high priority given to the issue of arts in education?

Mr. HODSOLL. Yes, sir; we have changed, as you know, our Artist in Education Program to Arts in Education. Nonetheless, the artist residency portion of the Artist in Educatoin Program will remain the biggest single portion.

The new component of the program is aimed at engaging the State arts agencies with the State departments of education in developing plans and procedures, to include the arts as a more basic and sequential part of elementary and secondary education and, very importantly, to identify specific schools where the school boards are prepared and willing, as a matter of local decisionmaking, to undertake programs to implement that. We have allocated money and we have just awarded grants to 16 States for this purpose.

PERCENTAGE OF BUDGET FOR ADMINISTRATION

Senator DECONCINI. Finally, for years the Endowment had a reputation of maintaining an excellent ratio of administration versus program dollars.

What is that ratio today? Do you still maintain that?

Mr. HODSOLL. Administration versus the programs?

Senator DECONCINI. I think it was called an excellence ratio. You had a good ratio of dollars, administrative dollars versus program dollars. It was small on the administration side.

What is it now? Has it increased on the administration side or is it still, from this committee's point, outstanding?

Mr. HODSOLL. Let me give you the facts and you can tell me whether you think it is outstanding.

Basically, in fiscal 1987 we have, roughly speaking, an administrative budget of $15 million in relation to a $165 million budget. So that means that our administrative budget is less than 10 percent. If one

looks at the average for foundations out across the country, you will find that they have about 10 to 20 percent ratios.

So in that sense we are on the low end. However, I would have to note that, while we were able significantly to pare down our administrative budget 4 and 5 years ago—the travel numbers I gave you is an example of that, in more recent years, with Federal pay raises and the new retirement system, et cetera. our administrative budget has come up slightly. In fact, 85 percent of the increase that we are asking for in 1988 versus 1987 is due to the new Federal pay scales, retirement, per diem rate, and space rental costs.

Senator DECONCINI. What are the administrative versus program dollars in 1987?

Mr. HODSOLL. In 1987, it was under 10 percent. Jack? Can I turn to my Deputy on this?

Mr. BASSO. Let me give you an approximation. Mr. Chairman, it is running at about 95 percent, roughly.

Senator DECONCINI. What do you project it to be in 1988?

Mr. BASSO. Just under 11 percent in an overall lower budget.

Senator DECONCINI. And before that was it less or was it pretty constant?

Mr. BASSO. I believe since 1983 it has been approximately the same percent.

Senator DECONCINI. Just for the record, would you supply that later, maybe for the last 5 years, including what you project it will be for 1988.

Mr. HODSOLL. We will be happy to provide that, sir.

[The information follows:]

Ratio of administration versus program funds

Fiscal year:	*Percent*
1983	8.8
1984	8.2
1985	8.5
1986	[1] 9.3
1987	[1] 9.6
1988 (projected)	[2] 11.2

[1] This percentage includes OPPR.
[2] This percentage reflects a fiscal year 1988 budget level of $145.2 million.

BUDGET CUTS

Senator DECONCINI. I have some questions that I will submit in writing for an answer.

The Senator from Nevada.

Senator REID. I just have one more question. I haven't had an opportunity to read your testimony.

From where is the $20 million going to be taken? You say it is $20 million less than it was last year. Is it spread even across or does it hit some areas harder than others?

Mr. HODSOLL. Well, it hits in some areas somewhat larger than others, sir. If you will look on page 16 of our budget submission in the orange book, you can see the differences there.

I will just take some examples here, but we can obviously put all of this into the record. In dance, the amount in fiscal 1987 was $9,150,000. That will go down to $7,400,000. And so on through the other programs.

Our basic principle, is to try to keep our Arts in Education Program up because it reflects a very high priority. In addition, we tended to make greater reductions in programs that involve the more institutionalized fields rather than those that are based primarily on grants to individuals and the like which have less access to private funds.

In a general thumbnail, that is the principle.

Senator REID. I have nothing further.

Senator DECONCINI. Thank you, Senator, and thank you, Mr. Hodsoll, for your testimony. Your staff and folks here were very helpful.

Mr. HODSOLL. Thank you very much, Mr. Chairman.

I forgot to say in my opening statement that we at the Endowment very much appreciate this committee's interest and your interest and Senator Reid's interest, and thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator DECONCINI. Thank you. The additional questions will be submitted to you for your response.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

At last year's hearings, there was considerable discussion regarding the Committee's concern that applicants from the large States appeared to be receiving a disproportionately large share of the grants and funding from the Endowment while applicants from the smaller states who might be less experienced in the art of preparing applications, get overlooked.

The Endowment was admonished to look into the matter and to correct what seems like an inordinate concentration in a few geographic areas. The appearance of inequitable distribution of awards by State could erode support for the Endowment, so this should be a priority concern.

Question. What have you done over the past year to identify the causes of this concentration of a few geographic areas? What do you plan to do in the future?

Answer. We have long concerned ourselves with the matter of supporting a broad artistic and geographic range of outstanding arts activities. Like the National Science Foundation, our legislative mandate centers on the ability to foster excellence. Specifically, the Endowment's mission in carrying out its mandate is both to foster excellence, diversity, and vitality of the arts in the United States and to help broaden the availability and appreciation of that excellence, diversity, and vitality. In recent years, with the advice of the Congress we have taken further steps to insure that our programs are available to applicants nation-wide and that we support excellence wherever it exists.

An examination of the Endowment's funding record does not support the observation that underlies the Committee's concern with respect to geographic distribution. As a grant-making agency, the Endowment responds to applications received. The number of applications for Endowment funding varies greatly from State to State. The grant/application ratios indicate that competition for Endowment funds is stronger in the more populous states. These states are also the sources of most of the applications received and have the highest concentration of artists and arts organizations. While the average percentage of applications funded for the agency as a whole was 26.5 percent in 1986, in such largely populated states as California and Massachusetts it was 24 percent; and many of the less populous States had a higher success ratio: Alaska 38 percent; Idaho 33 percent; Missouri 33 percent; Mississippi 34 percent; Nebraska 39 percent.

We have compared funding trends for the ten states with the largest populations and the ten smallest populations. In this comparison we have found that the average success ratio of each group is 26 percent, consistent with our Agency average.

For FY 86, the ten states with the largest populations accounted for 54 percent of the U.S. population, 60 percent of the artist population and 62 percent of all applications received by the Endowment. Grants awarded in these states represented 54 percent of Endowment grant funds.

In FY 86 the ten states with the smallest populations accounted for 3 percent of the total U.S. population, 2.5 percent of the total artist population and 3.7 percent of all applications received by the Endowment. The total of Endowment funds going into those states represented 5.1 percent of our funds for grant-making. When grants with regional or national impact are netted out, these states received 6.7 percent of the total.

Difference in the nature and distribution of the various art forms nationwide cause the Endowment to employ different strategies to foster excellence in the art forms and access to, and appreciation of, that excellence. For instance, our funding helps make the best of current artistic production available across the nation, despite barriers of distance, geography and economics.

We point with pride, for example, to the Syndicated Fiction Project, in which we have cooperated with the PEN American Center to publish the work of distinguished writers in major newspapers nationwide. Since June of 1983, these stories have reached approximately 10 million readers, providing new outlets for writers of fiction and allowing fine creative writing to reach millions of new readers. Through our Programming in the Arts grants, which have supported such distinguished series as Live from Lincoln Center, Live from the Met, and Great Performances, we reach between 5 and 6 million viewers with each performance. American Playhouse, which presents adaptations, original drama and filmed theater for television, reaches an estimated 6 to 10 million viewers per performance.

Many grants awarded to organizations in major urban centers are actually regional or national in impact, because they reach audiences well beyond the state in which the grantee is located. An example of a grant with regional impact would be the Media Arts Program's $45,000 grant to Pittsburgh Filmmakers, Inc.. These funds are re-granted in regional fellowships for which film and video artists in Pennsylvania, as well as, Maryland, West Virginia,

Delaware, the District of Columbia, and New Jersey, are eligible. Another example is the $25,000 grant to the Western States Arts Foundation, located in Santa Fe, New Mexico, to support dance presentation in Arizona, Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming.

Much of what we do to reach smaller communities is done through our public partners -- the state and local arts agencies, as well as regional organizations. And, the Endowment provides support for public arts agencies in two major ways: through the Public Partnership Programs and through grants to the public arts agencies from the discipline Programs.

State Programs makes some 20 percent of our Program funds available to (i) all 56 States and special jurisdictions in support of their own priorities, and (ii) Regional Organizations (with 53 of the 56 States and special jurisdictions currently participating) for activities that are best addressed on a regional basis (e.g., development of regional presenter consortia to reach areas of the country distant from existing markets).

The Local Programs encourages local arts agencies all over the country to undertake local cultural planning, develop improved funding processes, and seek increased and sustained public funds for the arts at city and county levels. In FY 88, we are proposing a 9 percent increase in the budget for the Local Programs. This program has been successful in reaching smaller communities -- 35 percent of the 198 local arts agencies participating in the Locals Test Program from FY 84-87 served communities of under 50,000. In addition, a new subcategory has been developed to provide planning grants for smaller agencies -- many of which are in rural areas.

The Arts in Education Program supports efforts to encourage effective arts education. The new Arts in Schools Basic Education Grants category provides small grants to state arts agencies to undertake a general planning process with their state education agency to explore how the arts might be made a basic part of education. Earlier this year, sixteen such grants were awarded. Nine of these grants went to states with smaller and rural populations: Idaho, Kentucky, Maine, Nebraska, Oklahoma, South Carolina, Tennessee and Utah.

The Endowments discipline programs are focussed primarily on assisting artists and organizations/projects of the highest quality and of national or regional significance, but each has its own strategy to encourage increased

participation. These strategies are developed in consultation with peer panels, which are geographically diverse, and the strategies depend on the nature of the art form as well as the most feasible and effective means for reaching audiences.

The performing arts programs -- Dance, Inter-Arts, Music, Opera-Musical Theater, Theater -- support a variety of touring and presenting activities as well as resident artists and companies in virtually all of the States. For example, nearly one-third of the engagements supported by the Dance/Inter-Arts/States dance touring initiative occurred in communities of less than 25,000. The Endowment's Theater Program channels much of its support to presenters in under-served areas of the country through the State Arts Agencies and Regional Organizations, to assist in paying the fees of booked-in theater companies of high artistic merit. As a result of such support, many smaller and rural towns are being reached in the 1986-87 performance season. Companies such as the Acting Company from New York City, the Children's Theater Company from Minnesota, and the National Theater of the Deaf are touring to areas such as Bemidji, Minnesota; Delloria, Illinois, and Deborah, Iowa. For the 1987-88 season, plans include performances in Vermillion, Minnesota; Elyria, Ohio; and Sylvania, Ohio.

The Expansion Arts and Folk Arts Programs fund arts projects in communities throughout the nation and also have statewide and regional strategies. The Museum Program funds exhibitions -- many of which tour -- in large and small museums in every part of the country. The Visual Arts Program, which provides fellowship assistance to artists throughout the United States on both a national and regional basis, also assists small artist organizations in localities across the country. Design Arts funds grants and leadership activities that have an impact, directly and indirectly, on raising the quality of design in urban, suburban, and rural locations across the nation. Through support for broadcast and publishing activities as discussed earlier, the Media and Literature Programs reach audiences nationwide.

The Arts Endowment has many on-going efforts designed to insure that information and assistance is available to applicants nation-wide. Our widely distributed publication entitled Guide to the National Endowment for the Arts outlines the entire agency's purposes; helps groups and individuals assess, in a preliminary way, whether they might become applicants; and provides contact points at the Endowment. Our Endowment Program guidelines are widely available and encourage applicants to call or write the

respective Programs if they have questions or need help with applications. On a regular basis Endowment staff and our Regional Representatives meet with potential applicants. An upcoming example of our efforts to promote access to arts of high quality in rural and western smaller communities is a program we are undertaking in cooperation with the National Assembly of Local Arts Agencies to provide for a two-day Rural Arts Assistance Information Exchange in Portland.

Over the Endowment's 21-year history, we have seen the quality in our Nation's cultural demography move from being almost exclusively concentrated in a few urban areas to being spread throughout the nation. The Endowment has helped with this process by encouraging quality through awarding over 70,000 grants which have supported the work of artists and arts organizations in every state.

Question. What specifically have you done in the past year to help new first-time applicants, especially those from the smaller States. What are your future plans in this area?

Answer. The Endowment has a range of ongoing efforts to help new first time applicants. Endowment Program guidelines are widely available and encourage applicants to call or write the respective Programs if they have questions or need help with their applications. Our staff Program Specialists spend many hours with applicants, on the phone and in person, helping them prepare materials. Our Grants Office staff also counsels first time (and repeat) applicants. When Endowment staff travel, they frequently meet with would-be applicants (some do workshops) and provide first-hand information; our regional representatives in the field do the same.

Through the ongoing field contact of Endowment staff, regular panel rotation (which includes attention to geographic distribution), close communication with our colleagues in state arts agencies (both directly and via the National Assembly of State Arts Agencies), we will continue to inform the field about Endowment funding programs and encourage new applicants from all parts of the nation.

With respect to applicants from the smaller states, who might be less experienced in the art of preparing applications, the principal criteria for awarding grants in most categories relate to the artistic quality of the proposed activity, rather than to the quality of the application itself. This quality is judged by panelists not only from information provided in the application form,

but also from site visit reports, audio and video tapes, slides, books, publications and other evidence that is not affected by an applicant's lack of experience in preparing applications.

An upcoming example of our efforts to promote access to arts of high quality in rural and smaller communities is a program we are undertaking in cooperation with the National Assembly of Local Arts Agencies. The Endowment is providing up to $28,000 in support of a two-day Rural Arts Assistance Information Exchange. Scheduled for June 1987, in a cooperative effort which also includes the Western States Arts Foundation, this 2-day event will be attended by approximately 150 participants, including rural arts experts and technical assistance providers, as well as interested rural arts agencies. The purpose is to identify key field resources for the arts in rural areas, with particular focus on the Western region; to consider strategies for tapping these resources; to help clarify the objectives and roles of public arts agencies in assisting arts activities and development in rural areas; and to establish a data base and obtain ideas for extending the initial exchange network.

Question. How do you make yourself known to smaller institutions, particularly those geographically removed from major cities, to inform them that you exist, that you have grant programs, and that you can help. What more can be done in this area to help applicants from States such as West Virginia and Arizona? I would like you to think about this and to develop some thoughtful comments for the record on this matter.

Answer. We have a variety of mechanisms to accomplish these ends. A widely-distributed publication entitled Guide to the National Endowment for the Arts outlines the entire agency's purposes and programs; helps groups and individuals assess, in a preliminary way, whether they might become applicants; and provides contact points for them at the Endowment. Our Public Information Office directs potential applicants to the appropriate Programs. Our Regional Representatives across the country do the same, as do many state, regional, and local arts agencies and the national arts service organizations. Program guidelines are widely available, and Endowment staff devote a considerable amount of time to providing information and assistance to potential applicants. The Endowment's Arts Review publication, which is available by subscription to the public, regularly lists application deadlines. In addition, when Endowment staff travel, they frequently meet with potential applicants.

Special opportunities for smaller arts organizations and institutions include regular categories within our discipline programs, Challenge III (especially for consortia of small organizations), the Local Programs and the Advancement Program.

Some specific examples of these programs are:

The Advancement Program focuses on smaller developing institutions, and provides technical assistance and leverage funding for organizational development.

Fields will be eligible for Advancement as follows:

FY 88	FY 89
Dance	Arts in Education
Design Arts	Expansion Arts
Folk Arts	Inter-Arts
Literature	Museum
Media Arts	Music
Opera-Musical Theater	Theater
Visual Arts	

The Organizational Development Pilot (ODP) is a cooperative effort by the Expansion Arts and Dance Programs designed to help dance companies that are eligible for Expansion Arts support to develop institutionally. If successful, this pilot effort may be extended to other Programs.

The Expansion Arts Community Foundation Initative helps foundations develop endowments the income from which will be directed to the support of minority and emerging groups.

Travel expenses for Panelists' Contracts in FY 1988 will increase due to the new per diem rates. Under our proposed FY 88 budget we are planning to increase Panelists' per diem by only 70 percent of the total allowable amount. For FY 1987 we were not able to increase Panelists' Contract per diem because of reductions made to absorb the January 1987 pay raise. By holding all panel meetings in Washington, we do not incur facility rental expenses or the cost of our Program staff having to travel out-of-town.

In summary, we carefully scrutinize all travel expenditures and constantly seek ways to contain travel expenses. We cannot control increases such as the per diem rate adjustment or fluctuations in air fares. We do seek to obtain the lowest possible air fares; if some travel plans yield a lower rate than the Government fares, we take the least

expensive alternative. We also provide access to Government fares for all Panelists and Consultants, as well as the National Council. Because the Regional Representatives must maintain a presence in the field, they of necessity seek the lowest possible fares and accommodations to maximize the time they can spend in their regions. Their travel budget are fixed amounts, and as they have specified territories to cover, they take great care to economize.

It is very important for our staff and Regional Representatives to travel, not only to keep abreast of developments in the respective fields, but also to insure a breadth of knowledge reflective of the national scope of our mandate. There is always a danger, possibly particularly acute in the arts, that an agency located in Washington, D.C., will lose touch with the vast areas of this Nation, and become more and more "East Coast" oriented in knowledge and outlook. We need firsthand knowledge of the great range and variety of artists and arts groups nationwide, and we need to be kept aware and knowledgeable about prospective panelists as well, from all parts of the country.

Question. Please provide for the Committee files a listing (consistent with the provisions of the Privacy Act) for each of the past three years, the name, dates, destination, duration, and cost of each out-of-town trip funded by the Endowment.

Answer.

Clerk's note: This information was supplied and is being retained in the Committee files.

Question. Was the concern that the Committee raised last year on the distribution of awards by State brought to the attention of each of the members of the peer review system?

Answer. No. The Committee did not request this of the Arts Endowment. Each advisory panel is required to apply the review criteria in the relevant program guidelines. Congressional concerns are addressed at the overall agency level and as a part of guideline review rather than at the level of the individual panelist. To do otherwise would incur a variety of potential difficulties. For example, panelists review "blind" applications, that is without any information except the material (i.e. manuscripts) submitted. Another difficulty involves the fact that many grants going to one state, are specifically aimed at providing services in a number of states, regionally or nationwide.

We believe the agency is sensitive to its responsibilities as the National Endowment for the Arts. We have designed a series of strategies to insure that artistic excellence is identified wherever it exists, and our answer to the first Committee question makes this clear. Over the Endowment's 21-year history, we have seen the quality in our Nation's cultural demography move from being almost exclusively concentrated in a few urban areas to being throughout the nation.

The Endowment has helped with this process by encouraging quality as our statute mandates. We are in this respect like the National Science Foundation. Twenty years ago, when the Endowment was established, most of the artists and arts organizations in the country were clustered on the coasts and in the major metropolitan areas; today they are much more dispersed, as are our grants. We believe the Endowment has helped with this, and since its establishment, the Endowment has awarded over 70,000 grants to support the work of artists and arts organizations in every state.

Question. How do you plan to bring this matter, which the Committee is raising again this year, to the attention of the members of the peer review system?

Answer. We respectfully believe there is no need to raise this issue with members of the peer review system as we have discussed above. We believe that the Endowment is very sensitive to geographic and regional issues with respect to the art forms and fields. We know that they respond to quality regardless of the applicant's aesthetic or geographic origin. And, we strongly emphasize that the ratio of grants to numbers of applications from any area suggests that there is no geographic bias at work in any of the panels.

Question. Does follow-up action take place in response to critical comments of peer reviewers? Give illustrations.

Answer. A great deal of follow-up action occurs within the limits of staff time, especially when applicants call or write, as they often do, to ask for feedback from the Endowment. Sometimes the panel comments reflect that an applicant's artistic quality was simply not competitive -- on the basis of panel review of scores and tapes submitted, or slides, or site-visits to performances, or publications or recordings. In these cases, the applicant is told what the problem is and that it is welcome to re-apply for the next application deadline. We will also on occasion commission additional site visits to ensure that an adequate judgment has been made. In other cases,

such as management instability or inadequacy of application materials, the matter may lend itself more readily to self-correction. This information, too, is readily available to applicants and leads to more successful applications in future rounds. In addition, the Advancement Grant Program, now being re-instituted, provides substantial technical assistance to grantees.

Question. How many staff trips will be made in FY'87? In FY'88?

Answer. Our current estimate for staff travel in FY 87 is 512 trips.

For FY 88, we are estimating 570 trips, a 3% increase in the number of trips vs. our original plan for FY 87 (i.e. - also certain trips were deferred until FY 88 to offset the effects of the increased per diem). This increase reflects our efforts to expand our outreach to rural and other underserved areas.

Question. Who approves such travel? How is this travel monitored?

Answer. Staff travel is carefully reviewed and monitored both during the planning process and upon completion. Our travel budget evolves from plans developed by each of the agency's offices. Each office develops a travel plan based on its area of responsibility and mission. Each office has discretion in planning when and where trips occur. All travel plans are reviewed by the respective Deputies and the Chairman where appropriate.

All travel plans must go through the travel approval process. Each travel request is submitted to a Program's respective Deputy Chairman (or the Chairman where appropriate). The Deputies assess the travel plans. Because travel plans are prepared well in advance of the actual budget year, changes may occur, but the overall budget and travel objectives are maintained. Expenditures are monitored by the Finance and Budget Offices .

Question. What measures does the Endowment currently employ to monitor staff travel to assure that there are no abuses in this area?

Answer. As indicated in the preceding question, each office prepares a travel plan which must be approved by its respective Deputy Chairman and the Chairman. The plans are specific as to travel objectives and cost. Once a fiscal year begins, each trip is reviewed and approved by the appropriate Deputy, or the Chairman. Each proposed trip

must be within the approved travel travel budget for the office. Travel requests are processed by our Finance Office. Travelers are subject to standard Government travel regulations, which require that they must close out the trip by submitting required receipts and vouchers upon completion of travel. In addition, airline and rail tickets are provided under Government contracts, and must be attached to the completed travel voucher. The Finance Office audits all travel vouchers in accepting final expense reports.

Question. How much in additional travel costs are carried in the budget for FY 1987 and FY 1988 under the object classification entitled "Other Services"? Is this amount increasing, and if so, for what reasons?

Answer. No travel funds applicable to Endowment staff are included in the "Other Services" object class or any object class aside from "Staff Travel". The Other Services object class does, however, include our Consultant Contracts, Panelist Contracts and Regional Representatives Contracts, and their travel is included in their allocations.

Consultant contracts are used to bring Panel Chairman, or other experts from the field, to meetings of the National Council on the Arts to participate in grants review (Panelists) and/or program reviews. The amount of travel funds included in the Consultant contracts are estimated to be $15,000 for FY 1987 and FY 1988.

Panelist Contracts include travel funds to cover the expense of panelists coming to the Endowment offices for panel meetings. We currently estimate that in FY 1987 we will incur travel and per diem expenses of $407,736 for 2,427 panelist days; for FY 1988 we are estimating incurring travel and per diem expenses of $560,976 for 2,697 panelist days. The 13.9 percent increase from FY 87 to FY 88 is related to an increase of $38.00 per day in the GSA per diem rate for Washington, D.C., and increased panelist activity resulting from Challenge III and new rounds of Advancement grants.

The Regional Representative contracts include a substantial amount of travel funds because the mission of the Regional Representatives is basically travel oriented. Each Representative covers several states and spends the majority of his/her time in the field. These contracts maintain a presence in the field at significantly lower costs than would be incurred by having our employees travel to each state with the frequency of the Representatives. The Regional Representatives also come to National Council

meetings and on occasion to panel meetings held in the Endowment's offices. For FY 1987 we are estimating expenditures of $111,500 for Regional Representative travel. For FY 1988 we are estimating expenditures of $123,000 for this purpose.

Question. What can be done to cut back on the number and duration of staff and other personnel travel costs?

Answer. To the maximum extent possible the Endowment has kept staff travel expenditures to the minimum level necessary effectively to maintain contact with the field. The Endowment's travel budget has been reduced from a high of $491,655 in FY 1980 to the present level of $300,000 for FY 1987. Expressed in real dollars, if we were to maintain the level of travel experienced in FY 1980 it would cost over $700,000 in FY 1988. We are not requesting anywhere near that amount.

In fact, over the past several years, during this Administration, travel has been reduced, especially in FY 1986, in order to meet cost reduction targets. Travel costs for FY 1987 and FY 1988 have increased by approximately 13 percent due to the new GSA per diem rates. We would like to point out that we have not increased our FY 1987 travel request as it was made in our FY 1987 Congressional Budget Justification. As a result, in order to absorb the increased per diem costs, we have reduced the total level of travel activity. For FY 1988 we are basically requesting increased funds in order to offset the higher per diem costs and maintain the level of travel originally planned for FY 1987.

Travel for the National Council on the Arts has been cut virtually in half versus the pre FY 1981 levels. We have been holding meetings in our own conference rooms which greatly reduces staff travel as well. Aside from the increases in the GSA per diem rates, Council travel will remain relatively flat.

Guidelines and Regulations

Question. What is the status of the November 1986 recommendation of the National Council on the Arts for guidelines for a new Challenge III program?

Answer. Guidelines for the new Challenge III program were distributed the first week of April. Eligible organizations, agencies, or consortia are to notify the Endowment of their intent to apply for funding by June 2, 1987 and to submit their complete application by July 2, 1987.

Question. Briefly describe these new guidelines and how implementation will improve predecessor efforts, especially in view of the proposed reduction in funding.

Answer. Challenge III will support exemplary projects with the potential for long-term impact in four areas:

-Artistry -- assisting nationally important artistic efforts of the highest quality in one or more of the art forms;

-Access -- assisting improved and broader access to the arts of quality;

-Appreciation -- assisting deeper and broader education in and appreciation of the arts of the highest quality;

-Non-Federal support -- assisting non-Federal public and private support systems (e.g. subgranting, technical assistance) for the arts to address any or a combination of objectives of the aforementioned categories.

The Challenge III program should be regarded as a change in the focus of the existing program rather than an improvement. The Endowment began to rethink the direction of Challenge when it became clear that the pool of competitive applicants for the long-term financial stability and fundraising purposes of Challenge II would be substantially served within a few subsequent grant rounds. The project orientation of Challenge III will permit support for important initiatives and allow considerable flexibility for structuring partnerships to combine the creative and capital resources of a wide range of organizations and funders.

Question. Provide for the record any other anticipated changes in guidelines and/or regulations.

Answer. All of our Program guidelines are reviewed annually (a few biennially) by our program staff and panels, and revisions may be recommended at any time. Panel recommendations on guideline revisions are taken to the National Council on the Arts for its review and recommendation. Following the Chairperson's final decision, they are printed and made available to the public.

Over the past two years, major changes in guidelines for our Arts In Education, Local, Advancement, and Challenge Programs have been completed. We do not anticipate at this

time any other guideline changes of this scope and magnitude.

The Endowment implements only a very limited number of regulations. In 1987 we only anticipate updating and revising regulations issued with regard to the provisions of Title VI of the Civil Rights Act of 1964.

Intergovernmental Personnel Act Contracts

Question. Please provide for the record, for each of the past three years, a list of IPA contracts, their cost and duration, and the source from which the individual was recruited.

Answer. The requested information follows.

COSTS ASSOCIATED WITH INTERGOVERNMENTAL PERSONNEL ACT ASSIGNMENTS
NATIONAL ENDOWMENT FOR THE ARTS

NAME/TITLE/PROGRAM/DURATION	PARTICIPATING ORGANIZATION	COSTS FY 84	COSTS FY 85	COSTS FY 86
Benny Andrews Director Visual Arts Program 05/10/82-07/17/84	Queens College CUNY, Flushing, NY	$54,300		
Mary M. Barovsky Program Specialist Private Partnership 03/10/83-06/09/85	Georgetown University Washington, DC	$26,663	$19,016	
Emma Burnett Special Assistant Locals Program 08/17/86-08/16/87	Beaverton Arts Commission Beaverton, OR			$6,272
Robert M. Canon Director Locals Program 04/01/83-08/31/85	Arts Council of San Antonio San Antonio, TX	$72,249	$69,512	
David Chamblies Program Specialist Music Program 12/23/85-07/31/86	Petersburg Public Schools Petersburg, VA			$18,816
Frank Conroy Director Literature Program 07/12/82-07/11/86	Massachusetts Institute of Technology Cambridge, MA	$62,472	$63,889	$47,916

NAME/TITLE/PROGRAM/DURATION	PARTICIPATING ORGANIZATION	COSTS FY 84	FY 85	FY 86
Terence P. Double Detailed to New Mexico Arts Division 03/15/84-08/19/84	National Endowment for the Arts Washington, DC	$12,030		
Grace Hampton Assistant Director Expansion Arts Program 07/01/83-06/30/85	Jackson State College Jackson, MS	$54,072	$38,961	
Joyce Kiely Program Specialist Opera/Musical Theater Program 12/15/83-05/31/84	Northern Kentucky University Highland Heights, KY	$11,298		
Renee Levine Director Inter-Arts Program 03/15/82-3/14/86	California Institute of the Arts Valencia, CA	$57,171	$59,694	$31,110
Edward Martenson Director Theater Program 07/19/82-6/30/86	Yale University New Haven, CT	$60,847	$66,631	$52,553
Allen Payne Program Specialist Design Arts Program 09/01/83-08/31/87	Mississippi State University Mississippi State, MS	$35,727	39,284	$42,039
Victor Perera Program Specialist Literature Program 09/19/83-09/18/84	University of California Santa Cruz, CA	$37,700		

NAME/TITLE/PROGRAM/DURATION	PARTICIPATING ORGANIZATION	COSTS FY 84	FY 85	FY 86
John Quam Program Specialist Opera/Musical Theater Program 06/04/85-06/03/88	Office of Public Instruction Helena, MT	$10,308	$31,981	$34,096
Ronald Rector Program Specialist Literature Program 11/1/83-8/31/85	Folger Shakespeare Library Washington, DC through Amherst College Amherst, MA	$25,751	$24,934	
Joel J. Snyder Program Specialist Inter-Arts Program 10/12/82-10/13/84	County of Fairfax, Performing Arts Fairfax, VA	$35,920		
Marguerite Villecco Spec. Advisor Design Arts Program 07/01/83-10/31/86	Catholic University of America Washington, DC	$55,415	$60,976	$63,907
Thomas Walton Program Specialist Design Arts Program 09/01/84-08/31/85	Catholic University of America Washington, DC		$ 9,790	

Question. How could the IPA program be used to address the Committee's concern that applicants from the large states seem to be receiving a disproportionately large share of the grants and funding from the Endowment, while applicants from the smaller States, such as West Virginia, who might be less experienced in the art of preparing applications, get overlooked. Could the IPA program be used to address this apparent inequity in smaller States?

Answer. First, we believe the answer to Question 1 demonstrates that applicants from large States do not receive a disproportionately large share of the grants. Second, the statutory purpose of the IPA program is to improve administration of programs at the Federal, state and local government levels as well as at academic institutions. In filling Endowment IPA positions, our primary goal is to find the best possible person for each vacant position. This involves a nationwide search in which we will normally contact 500 - 600 organizations, including organizations at the state or local level in every state. Primarily, our IPA program provides work and development opportunities for artists and arts administrators from arts organizations, academic institutions and state and local government arts organizations which strengthens the participants management capabilities.

Because of our small staff size, we have principally used the IPA program to bring employees of state and local governments, state universities, or non-profit organizations to the Endowment. We have only rarely assigned our own employees to such organizations. We believe the charts provided in relation to Question 18 show a wide variety of IPA personnel engaged by the Endowment over the past three years.

STATE SUPPORT FOR THE ARTS

Question. At last year's hearing it was indicated that appropriations by the States in support of the arts continued to rise. Approximately $200 million was appropriated by the States for FY'86, which was a 25 percent increase over FY'85 and a 48 percent increase over FY'84. There are some who argue that in view of the fiscal constraints faced by the Federal Government, a good case could be made that the increased attention paid to the arts by the States indicates a reduced need for Federal funding. What is your reaction to that argument?

Answer. We believe that the federal role is catalytic and assists growth in the overall arts economy. However,

the growth in funding among the state arts agencies will, in many cases, help offset our proposed reduction in Federal funding. In fact, many Endowment grantees receive more support from their state arts agency than from the Endowment. It is difficult, however, to draw sound conclusions about the need for Endowment appropriations on the basis of trends in state arts agency appropriations. There are at least two reasons for this. First, recent state arts appropriation increases have not been evenly distributed. From FY '86 to FY '87 aggregate appropriations for the state arts agencies increased by 10.7 percent to a total of $216.6 million. However, 82 percent of this increase was attributable to only 11 states. Eleven states sustained decreases and seven received increases of one percent or less.

In addition, it might be noted that, while there is some overlap between the arts groups supported by the Endowment and those supported by the state arts agencies, the universe of arts groups supported by the states is very different from that supported by the Endowment. For example, in a recent survey of FY 85 grantmaking activity of five state arts agencies (Massachusetts, Colorado, Montana, Utah and Florida), we discovered that out of 1,467 state arts agency grantees, only 126 also received grants from the Endowment. Out of 246 Endowment grantees in those states, 126 also received funds from the state; 120 (or 49 percent) did not. The priorities at the state level are not the same as those at the Federal level; funding at the state level cannot simply be substituted for funding at the Federal level. Rather, Endowment programs, designed to promote artistry and access from a national perspective, complement important programs developed at the state level.

Because trends in state arts appropriations do not affect all states equally and because the scope and nature of state support for the arts is very different from that of Endowment support, trends in state arts appropriations are not a good single indicator of need for Endowment appropriations.

Continuation Costs Versus New Awards

Question. Please provide for the record a breakdown, by category, for each of the last three years, of the number and dollar amount of awards which are, for that particular year, continuation costs or moral commitments and which are new awards.

Answer. Overall, very few Endowment funding categories provide continuation costs or moral commitments. These do exist in our Challenge Program,

Advancement Program, the Locals Test (now Local Programs), the Community Foundations Initiative in Expansion Arts and Ongoing Ensembles in Theater. For Locals, one multi-year grant is obligated in the first year of the grant, with subsequent payouts; for the Community Foundations Initiative and Ongoing Ensembles, only one year's grant is obligated and grantees must re-submit annually.

Most Challenge grants, which are for periods of up to three years, are obligated in a single fiscal year and should be characterized as "new" grants rather than as "continuation costs". Challenge funds are available for obligation over a two-year period; the grant is often awarded in one fiscal year with the obligation of funds not occurring until the next fiscal year due to the matching requirements wherein the first match (one-to-one) must be satisfied before funds can be obligated.

Advancement grants, while also for periods of up to three years, are normally obligated over a period of two or more years and for the most part would fall into the "continuation cost" category. At the time of the initial award, a period of technical assistance is undertaken. It is after the successful completion of this phase that the actual Advancement Grant is obligated.

The rest of the Endowment's grant programs depend on an annual application/annual determination process. Even the annual basic grants provided by State Programs to State Arts Agencies, though based in a legislative provision, are subject to review and are not automatic. Some, however, are now reviewed on a multi-year basis, though obligated year by year.

	FY '84	FY '85	FY '86
Challenge			
(new grants)	33 grants $18,769	45 grants $20,738	49 grants $20,720
Advancement			
(continuation)	37 grants $1,697	37 grants $2,385	37 grants * $2,448
Local			
(new grants)	11 grants $2,000	8 grants $2,000	12 grants $2,000

* Awards were made as amendments to prior year grants.

	FY '84	FY '85	FY '86
Expansion Arts			
Community Foundation Initiative			
(new grants)		13 grants $626	
(continuation)			9 grants $800
City Arts			
(continuation)	9 grants $355	8 grants $355	N/A
Theater			
Ongoing Ensembles			
(new grants)	8 grants $1,295	1 grant $253	
(continuation)		8 grants $1,069	8 grants $1,215
	56 state arts agency grants 8 regional organization grants	56 state arts agency grants 8 regional organization grants	56 state arts agency grants 7 regional organization grants (number lower due to merging of two regional organizations)
State Programs	23,829,700	23,975,500	23,150,100

Arts in Education Program

Question. The Arts in Education program has been revised to include a new category of funding consistent with the authorization legislation, which encourages collaboration of State and local agencies and individuals to establish arts courses in elementary and secondary schools. I understand many of the State Arts Agencies, including the West Virginia Department of Culture and History, are interested in the initiative. What more can be done to assist the smaller states such as West Virginia?

Answer. In the Arts in Schools Basic Education Grants category, which began in FY 87, forty-two applicants were evaluated by the panel and sixteen grants were awarded.

Nine of these grants went to the smaller and/or primarily rural states: Idaho, Kentucky, Maine, Nebraska, Oklahoma, South Carolina, Tennessee, Utah and Wisconsin. This process was a highly competitive one, and the panel was clearly sensitive to a range of state characteristics, including size. The rural states granted funding in this category will, if successful in carrying out this planning stage, act as prototypes for other rural states which may be interested in broadening their arts education programs. The Arts Endowment will provide advice, guidance, and in some cases consultants, to help states committed in accordance with the Guidelines, to making the arts a basic and sequential part of education to proceed with their efforts to this end.

Private Sector and Challenge Grants

Question. At a time of severely constrained federal budgets, what is being done to stimulate private sector involvement in support of the arts?

Answer. Our enabling legislation and mission statement affirm the principle of private, local support of the arts, and we have endeavored to stimulate private funding of the arts in three major ways. These methods include: grants which must be matched with private sector funds; the establishment of public/private partnerships; and staff support to the President's Committee on the Arts and the Humanities whose principal mandate is to investigate ways to increase private sector support for the arts and the humanities.

Some outstanding examples of both new and ongoing public and private partnership initiatives in which the Endowment is currently involved include:

- the Arts Endowment's collaboration with the Getty Trust, to develop a television series on the arts for young people;

- the Project for the Preservation of the American musical, a partnership with American Express to help make authentic performing editions of American musicals available and to encourage their production;

- the Arts Endowment/Southwestern Bell program to bring performances of the St. Louis and Houston symphony orchestras on tour to communities in Missouri, Oklahoma, Texas, Arkansas and Kansas.

- the Seaver Conducting Award, a partnership with the Seaver Institute designed to foster career development

activities individually tailored to expand, enhance, and develop the recipients' talent and expertise;

- o an initiative with community foundations and the Expansion Arts program to stimulate the development of new funding sources for emerging arts organizations;

- o a partnership with the Equitable Life Assurance Society to sponsor of regional visual artists fellowships and travelling exhibitions;

- o a Touring and Commissioning Initiative, in cooperation with AT&T, the Rockefeller Foundation, and the Brooklyn Academy of Music, to assist the dissemination of large-scale, new interdisciplinary work; and,

- o the Programming in the Arts series on public television (such as Live from the Met, Live from Lincoln Center, and American Playhouse), with major corporate and foundation sponsorship, bringing the best in the arts to national audiences.

We have found that these partnerships provide an effective means of stretching the Federal dollar to provide new and additional support to our grantees.

Question. The Challenge Grant program raises an average of $7 per each federal dollar. At a time of severely limited resources, should increased reliance be placed on the program to provide support for the arts?

Answer. In FY 88, we have proposed a budget of $16.9 million for Challenge, which is 12 percent of the agency's budget. This is consistent with its historical share since FY 83. We increased its share from 8 to 10 percent in FY 81-FY 82 to 13 percent in FY 83. We initiated this increase in FY 83 because of the need to place an increased reliance on non-federal sources of support.

Question. What more can be done to stimulate Challenge III applications from the smaller States, such as West Virginia?

Answer. Every effort is made to disseminate program guidelines and stimulate interest in the Challenge Grant Program within all geographic jurisdictions. We will make 6,000 copies of the Challenge III guidelines available with the first printing. We will be helped in this effort by the Regional Representatives, who will identify and inform potential applicants about the program. During April and May, representatives of the Challenge and Advancement Grant Programs will attend six regional meetings (including a May

14 meeting in Charleston, West Virginia) to discuss the new phase of the Challenge Program with state arts agency directors and interested organizations.

Two provisions of the new guidelines may be of special interest to organizations in less populous states: 1) a reduction in the minimum grant threshold to $50,000; and, 2) the encouragement of applications from consortia of organizations interested in carrying out significant projects.

LOCAL PROGRAMS

Question. What are the results of the test of support for local arts agencies, especially in small communities. Please update the discussion at last year's hearing.

Answer. The Program has had a major impact upon small communities. Of the 198 local arts agencies participating in the Test Program (1984-87) seventy, or 35 percent, are located in rural communities. Because many smaller communities do not have access to foundations and corporations, primarily located in major urban centers, the development of local government support can be crucial to sustaining a quality arts presence in smaller communities. The evaluation of the Test Program (conducted by researchers from the University of Southern Maine) concluded that "The Federal Incentive has frequently generated support from local governments that have never before committed public funds to artistic purposes."

Our reports from grantees also indicate that a substantial number of arts organizations and artists in smaller communities, who have had little or no access to other funds have been assisted through the Test Program.

Question. What actions can you take to make this new program more responsive to the Committee's concern about the need for additional support for the smaller States such as West Virginia?

Answer. We believe the Program is ideally suited to assisting states with small populations. Twenty percent of our state grants have been to smaller, less populated, states such as North Dakota, Nebraska and Arkansas. We have added a new subcategory of planning and administrative grants for FY88 which will provide special assistance to help states increase staff, services and planning for local arts agencies. We have also changed our guidelines to allow flexibility regarding the minimum match required of states in our state-local grants.

Question. Could the Folk Arts apprenticeship program allowing study with master folk artists be expanded in response to the Committee's concern for the smaller States, such as West Virginia?

Answer. The Folk Arts Program does not fund individual apprentices but does fund state and private agencies which in turn subgrant monies to aspiring apprentices. To date, twenty-three states are participating in this program; we hope that eventually all the states will participate, in fact we have reason to believe that an organization in West Virginia may apply for apprenticeship funding within the next year.

Question. In the fall of 1986, the Endowment sponsored a Mayor's Institute at the University of Virginia. Should not some future Institutes be held in some of the smaller States such as West Virginia, in order to respond to the Committee's concerns about the need for the Endowment to get its message out to the smaller States?

Answer. As it was originally conceived, the Mayors Institute on City Design was to occur every six months in different spots all around the United States. The idea of the symposium was to hold workshops centered around the design of cities in places that embody good urban design. By doing this, the presentation and exchange could be reinforced by the example of the city. We chose the University of Virginia in Charlottesville (population approximately 40,000) as the site for the first meeting. The University's Academical Village is an urban design complex conceived by Thomas Jefferson in the early part of the eighteenth century. It is well known and acknowledged both by professional designers as well as the general public.

The Academical Village was an even more successful site than we had anticipated. The attendees strongly urged that future forums be held there because of its architectural quality, tranquility, and historical significance. Based on their unanimous recommendation, we proceeded with plans to continue to hold the meetings at the University.

The University's School of Architecture, the Jefferson Institute and the U.S. Conference of Mayors have all become full partners in the Mayors Institute. At this time, we plan to continue to hold the Institute in Charlottesville. This was also recommended by Joseph Reilly, Mayor of Charlestown, S.C. (a small state), and the current President of the U.S. Conference of Mayors.

Museums

Question. What is the difference between the Endowment's support for museums and that of the Institute of Museum Services? Is this a case of duplication and overlap? How do you coordinate with them? Please elaborate for the record.

Answer. The Arts Endowment's Museum Program fosters the exhibition, documentation, preservation, conservation and interpretation of works of art of the highest quality, while assisting in making these works of art available to audiences in a broad spectrum of museums throughout the country.

The Museum Program deals with museum activities that primarily include painting, sculpture, works on paper, decorative and folk arts, photography, crafts, architect-tural design, and such new and experimental art forms as performance art and video. Its primary concern is the aesthetic quality of the art.

The Arts Endowment's Museum Program supports art museums with permanent collections as well as museums and spaces that serve as presenting institutions for works of art. On occasion, the Program also awards grants to other organizations such as natural history museums historical societies and history museums for projects involving the exhibition or conservation of artistically significant works.

The Museum Program provides grants through five funding categories: Professional Development (Museum Training and Fellowships for Museum Professionals); Utilization of Museum Resources (Presentation and Education, Catalogs, and the new Special Artistic Initiatives); Care of Collections (Conservation and Collection Maintenance); Special Exhibitions; and the Museum Purchase Plan which provides funds for museums to purchase works by living American artists.

The Institute of Museum Services (IMS) also provides funds for museums. It awards general operating support to museums of all kinds in amounts not exceeding $75,000 or 10 percent of the operating budget, whichever is less. The Arts Endowment does not provide museums with this type of support.

The Institute of Museum Services awards grants not only art, science, history and natural history museums, but to museums such as historic houses, historical societies, technology museums, science centers, planetariums,

aquariums, zoological and botanical gardens, and nature centers, among others. Under its Museum Assessment Program, the IMS also awards grants to museums to provide for an independent professional assessment of their programs and operations. This assessment is coordinated by the American Association of Museums.

Under the IMS Conservation Project Support Program, funds are available for conservation treatment, surveys, training for museum staff in conservation, and research, including species survival activities. The Program also provides funds for surveys of environmental conditions, including proposals to implement optimum environmental conditions for living collections. Up to $25,000 can be awarded to eligible institutions. Treatment grants are made to museums for the conservation of everything from works of art to fossils, historic buildings and mechanical equipment, animals, plants and entomological material.

In the FY 87 Guidelines, grants are available under four categories of collections, each of which has a different set of funding priorities. Works of art are included in the category of non-living collections; in this category, support is provided for conservation, surveys, training, research and treatment of collections, in that order of priority.

In FY 86, 26.6 percent of the Conservation Project Support grants awarded by the Institute of Museum Services were for projects involving art. The Arts Endowment Museum Program also awards grants of up to $25,000 to conserve individual works of art or collections of art. The Program funds conservation planning, the purchase of technical equipment, training in conservation through master-apprenticeship programs at museums, and student internships at graduate conservation centers. And it provides funds for workshops and seminars to train museum professional staff in the the handling and conservation of objects.

The area of conservation is the only area where there is a potential for overlap between the Arts Endowment and the Institute of Museum Services. Staffs of the Arts Endowment Museum Program and the Institute of Museum Services, therefore, regularly share information on grant recommendations so as to avoid and eliminate duplication. They meet regularly with staff from NEH and IMS to define the differences between their respective programs and to coordinate their efforts.

PAY AND FERS COSTS

The budget justification indicates that the combined cost of the January 1, 1987, 3 percent government-wide pay raise and the Federal Employee Retirement System (FERS) is $420,000 in Fiscal Year 1987. About half -- or $220,000 -- will be covered through economies in the administration account.

Question. How do you propose to fund the remaining $200,000 cost in FY'87 and what will be the adverse impact, if any, on the operating program?

Answer. By reducing certain activities within our Administrative budget for FY 87 we were able to fully absorb the increased costs associated with the January 1987 pay raise. We were not able to absorb fully the cost of the new FERS. To cover the estimated $200,000 shortfall we proposed, for FY 1987, reprogramming $200,000 from our Program funds to the Administrative funds account, specifically into Personnel Compensation. The FY 87 budget shown in our FY 1988 Budget Justification features the $200,000 transfer. We identified the following programs as sources ($50,000 each) for the funds to be reprogrammed: Dance, Design, Inter-Arts and Visual Arts.

The impact of the transfer of Program funds will vary; in some cases the dollar amount of grant awards in the affected category will be reduced while in others, fewer grants will be awarded. The manner in which these Programs absorb the decrease will also depend upon the number, dollar amount and quality of grant applications received. However, given the relatively small amounts involved, we believe the impact of these transfers will be minimal.

Question. In FY'88 the full year cost of the 1987 pay raise and the new FERS retirement system is estimated to be $909,000. How does the budget propose to cover these costs?

Answer. For FY 1988 the entire cost of the FY 1987 pay raise was included in the requested base. Inasmuch as we do not have any actual experience with the new FERS (specifically, how many employees will switch from the old Civil Service Retirement Program to FERS), we concluded that the estimates were soft. We increased our base by only $700,000; but to maintain a conservative budget position, we increased personnel compensation by the full $909,000; we believed that economies could be achieved in other object classes and transferred the additional $200,000 from within the planned Administrative budget.

Telephone Costs

Question. Your budget for fiscal year 1988 contemplates telephone costs of $275,000 which is over $1,000 per employee. How do you account for telephone bills of this magnitude?

Answer. Since FY '84, we have reduced our overall telephone costs by close to 50 percent. As the Endowment maintains no field offices, long-distance contact with applicants and grantees is one of the most economical ways to maintain communications. Approximately 85 percent of the FY 88 telephone cost will be for long-distance service. Long-distance telephone calls are made regularly to organizations, state and local agencies and individuals throughout the fifty states, the Commonwealth of Puerto Rico and the U. S. Trust Territories. While we have taken a number of measures to reduce telephone costs, the installation of WATS lines has achieved the most notable success.

Question. What percentages of your employees would have occasion to place long-distance calls on a regular basis? Are you monitoring the use of long-distance telephone calls to assure that there are no abuses in this area?

Answer. We estimate that 55 - 60 percent of our employees routinely place long-distance telephone calls to applicants and grantees. In our program offices, this figure is probably close to 90 percent. A large portion of these are actually returning incoming calls from around the country.

Detailed long-distance call listings are regularly reviewed for evidence of misuse. In addition, the Endowment has taken other steps to ensure that long-distance service is used for official purposes only. We have issued a telephone directive to agency personnel, conducted telephone training sessions, and configured our telephone system so that long-distance calls may be made only over our low-cost WATS lines. In addition, our telephone system does not allow personnel to dial "976" (calls billed to caller, i.e., Dial-a-Joke) numbers or to make overseas calls directly without in-house operator assistance and verification of authorization.

High level postions

Question. Page 139 of the justification indicates that in FY 1987, two Executive Service Level one (ES-1)

positions are being abolished and two new higher level executive service jobs are being created -- an ES-2 slot and an ES-3 slot. Why are these higher graded positions necessary?

Answer. We have not added any new Senior Executive Service positions to the staff. The change noted in the justification, two ES-2s and one ES-3, constitute increases in pay rates for the Director of Policy, Planning, Research and Budget; the Deputy Chairman for Management; and the Associate Deputy Chairman for Programs. This reflects an increase of 4 percent per position. We believe these increases are warranted in light of these individuals' experience and contributions of expertise to the agency.

In fact, we have reduced our Senior Executive Service positions from a level of 7 positions in FY 1980 to 5 positions in FY 1987. A comparison of our SES ratings is as follows:

FY 1980	FY 1987
ES-2: 1	ES-2: 3
ES-3: 2	ES-3: 1
ES-4: 2	ES-4: 0
ES-5: 1	ES-5: 1
ES-6: 1	ES-6: 0
Totals: 7	5

We have eliminated one ES-6 position and one ES-4 position and have re-configured our SES staffing to produce an overall staffing pattern of lower rank. In 1987 dollars, this represents a savings of $148,000.

Question. Who reviewed and recommended these higher level positions?

Answer. The positions were reviewed by the agency's Director of Personnel and the Endowment's Performance Review Board in accordance with the provisions of Office of Personnel Management (OPM) regulations. Recommendations for increases in rank were then forwarded to the Chairman for approval.

Consultant Costs

Question. For the record, please provide a list of consultants for the past three years and the amount received by each consultant.

Answer. The Endowment's consultant contracts are used for bringing panel chairman and other experts to meetings of the National Council on the Arts. We have reduced the use of consultants since FY '84. The FY '86 level was

abnormally low, due to reductions necessary to meet the Gramm-Rudman-Hollings cost reduction targets. A list of consultant contracts for Fiscal Years 1984, 1985 and 1986 follows:

National Endowment for the Arts
Consultant Costs
Obligations

FY 84		FY 85		FY 86	
Consultant	Cost	Consultant	Cost	Consultant	Cost
Council & Panel		Council & Panel		Council & Panel	
				Berney, P	973
Abrahaas, K.	665	Epstein, J.	828		
Schuller, G.	491	Frankenthaler:2	1,858		
Schaffner, F.	795	Kingston, R.	1,130	Locals	
Brill, M.	673	MacCarthy, T.	935		376
Smith, J.	118	Moseley, C.	1,045		
Close,C.	491	Richards, L.	944		
Davidson, B.	665	Wood, J.	1,107	Media Arts	
Jordan, J.	491	Neusner, J.	750		
Hayes, P.	170			Houde, E.	90
Oldenburg, R.	491		8,597	Monzel, M.	90
	5,050			Meyer, M.	90
				Taradash, D	90
				Martella, E.	225
Public Partnership		Artists in Education		Davis, D.	210
				Weil, S.	38
				Shigekawa, J	75
Price, C.	1,324	Dickerson, A.:2	773	Dwyer, M.	465
				Dwyer, C.	312
					1,685
Education		Locals			
Brokeman, A.	501	Speedie, D.	446	Design Arts	
Bayette, J.	670	Bruhl, C.	371		
Gardner, H.	420	Speedie, D.	446	Robertson, J.	290
Taylor, B.	420			Sussman	528
	2,011		1,263		818

Consultant Costs
Obligations

FY 84		FY 85		FY 86	
Consultant	Cost	Consultant	Cost	Consultant	Cost
Artists in Education		**Music**		**Visual Arts**	
Stefany, J.	538	Gross, R.	909	Sandler, I	193
Sanford, V.	376	Rosen, S.	280	Close, C	236
Laberge, M.	750	Bacas, J.	80		429
Asboise, J.	266	Gross, R.	608		
	1,932		1,877		
State Programs					
Yschitoni, G.	805				
Price, C.	58				
Foleet, F.	1,185				
	2,048				
Locals		**Theater**			
Speedie, D.	396	Sullivan, D.	753		
Speedie, D.	396		753		
Speedie, D.	488				
	1,280				
Music		**Dance**			
Warrick	450	Jones, B.	280		
Backas, J.	508	Stowell, K.	603		
Haas, K.	320		883		
Ferry, D.	90				
Caster, D.	90				
Adler, S.	479				
Carter, W.	274	**Media Arts**			
	2,211	Mccarter, W.	507		
		Lacy, S.	280		
		Rosen, R.	535		
			1,322		

Consultant Costs
Obligations

FY 84		FY 85		FY 86	
Consultant	Cost	Consultant	Cost	Consultant	Cost
Theater					
Brustein, R.	266				
Vignala, L.	181	Opera-Musical Theater			
Hawkanson, D.	745				
Hawkanson, D.	741	Bishop, A.	280		
Lamos, M.	880	Maltby, R.	280		
Hawkanson, D.	741	Kranki, A.	105		
	3,554	Price, M.	333		
			998		
Dance					
Stovell, K.	376	Visual Arts			
Frank, D.	271				
Brown, T.	266	Geldzahler, H.	245		
Stovell,K.	75	Sandler, I.	430		
	988		675		
Opera-Musical Theater					
Sills, B.	266				
Media Arts		Literature			
VanVagenan, S.	1,029				
O'Brady, G.	405	Fox, R.	393		
Oliver, L.	600	Olds, S.	479		
Legee, N.	525		872		
McKinney, D.	170				
Safford, T.	93				
Moss, E.	483				
	3,305	Inter Arts			
		Miller, L.	615		
		Laurabee, E.	280		
		Koshitomi, G.	835		
		Laurabee, E.	180		
			1,910		

Consultant Costs
Obligations

FY 84		FY 85		FY 86	
Consultant	Cost	Consultant	Cost	Consultant	Cost
Visual Arts					
Neal, N.	121				
Neal, A.	196				
Shearer, L.	196				
Sandler, I.	196				
Reynolds, J.	95				
Reynolds, J.	80	Folk Arts			
	884	Ivery, W.	1,128		
			1,128		
Design Arts					
Hardy, H.	266				
Hawley, A.	266				
Bautista, M.	80				
Brill, M.	448				
Wurman, R.	195				
	1,255				
Museums					
Pressley, N.	1,726				
Rosenblum, A.	210				
	1,936				
Literature					
Taylor, B.	720				
Gass, W.	645				
Hill, D.	454				
	1,819				

Consultant Costs
Obligations

FY 84		FY 85		FY 86	
Consultant	Cost	Consultant	Cost	Consultant	Cost
Expansion Arts					
Donhaa, K.	699				
Lerner, R.	368				
Rodriquez, E.	440				
	1,507				
Inter-Arts					
Hayes, P.	80				
Fitspatrick, R.	665				
White, D.	266				
Larrabbee, E.	416				
Dawson, W.	756				
	2,185				
Folk Arts					
Albert, M.	1,060				
Albert, M.	1,004				
Sibbar, S.	1,130				
Willett, H.	864				
	4,058				
TOTAL FY 84	37,813	TOTAL FY 85	21,051	TOTAL FY 86	4,281

ADMINISTRATIVE CONTRACTS

Question. The FY'88 budget request includes $427,000 for administrative contracts. Please provide for the record, for each of the past three years, a list of administrative contracts funded by your agency, including the recipient's name and address, amount, and the purpose of the contract.

Answer. The following is a list of Administrative Contracts (in Object Class 2595) for the Fiscal Years 1984, 1985 and 1986.

CONTRACTS AND PROCUREMENT OFFICE

SUMMARY OF FY 86, 85, and 84 CONTRACT ACTION AWARDS

	FY 86 TOTAL		FY 85 TOTAL		FY 84 TOTAL	
	No.	Dollars	No.	Dollars	No.	Dollars
Contracts	10	$219,570.75	11	$314,283.81	8	$239,689.00
Contract Modifications and Task Orders	14	199,677.64	2	128,242.02	7	124,081.55
TOTAL	24	419,248.39	13	$442,525.83	15	363,770.55

FY 86 CONTRACT AWARDS

CONTRACT NUMBER	CONTRACTOR	AWARD AMOUNT	PROJECT DESCRIPTION
DC 85-07	Evaluation Technologies, Inc. Arlington, VA 22201	$181,248.00	Photocopy Services
DC 86-01	Isabella Chan Church Plainfield, NJ 07060	$21,000.00	Services to the President's Committee on the Arts and the Humanities
C 86-180	Visual Aids Electronics Washington, DC 20506	$175.00	Rental of Audiovisual Equipment
DC 86-234	Directory Project Washington, DC 20540	$26.00	Purchase of Folklife Sourcebook
C 86-124	Lordship Industries New York, NY	$287.50	Rosettes for the National Medal of Arts Recipients
C 86-84	Robert Graham Studios Venice, CA 90291	$8,619.66	Fabrication of the National Medal of Arts
C 86-86	Design Pak, Inc. Marlboro, MA 01752	$1,272.27	Presentation boxes for the National Medal of Arts
C 86-229	National Assembly of State Arts Agencies Washington, DC	$3,200.00	Registration Fees for NASAA meeting
P 86-326	Bos & Associates	$1,035.22	Consultant Services
P 86-82	Jeff Thomas	$2,707.10	Reimbursement to Humanities Endowment for Personnel

FY 86 CONTRACT MODIFICATION AWARDS

CONTRACT NUMBER	MOD No.	CONTRACTOR	AWARD AMOUNT	PURPOSE
DC 85-3	1	Evaluation Technologies, Inc. Arlington, VA 22201	$6,000.00	Funding for photocopy overage in accordance with Photocopy Contract
DC 85-0·	T.O.01	CMIS Corporation Vienna, VA 22180	$12,274.08	Task Order for additional programming services for Grants Management System
DC 85-0·	T.O.02	CMIS Corporation Vienna, VA 22180	$4,782.00	Task Order for additional programming services for Grants Management System
DC 85-04	T.O.03	CMIS Corporation Vienna, VA 22180	$9,246.29	Task Order for additional programming services for Grants Management System
DC 83-08	5	Rolm Corporation Tysons Corners, VA 22180	$18,062.22	Funding action for telephone system contract
DC 85-04	T.O.04	CMIS Corporation Vienna, VA 22180	$22,623.36	Task Order for additional programming services for Grants Management System
DC 83-08	6	Rolm Corporation Tysons Corners, VA 22180	$45,155.55	Funding action for telephone system contract
DC 85-04	T.O.01	CMIS Corporation Vienna, VA 22180	($539.00)	Adjustment of final price of Task Order for programming services
DC 85-04	T.O.05	CMIS Corporation Vienna, VA 22180	$12,313.72	Task Order for additional programming services for Grants Management System
DC 85-06	1	John Kerr Newport, RI 02840	$11,300.00	Consultant Services
DC 85-04	T.O.06	CMIS Corporation Vienna, VA 22180	$17,071.44	Task Order for additional programming services for Grants Management System
DC 83-08	4	Rolm Corporation Tysons Corners, VA 22180	$1.00	Conversion of Lease to Purchase of Telephone System
DC 85-04	T.O.07	CMIS Corporation Vienna, VA 22180	$22,850.52	Task Order for additional programming services for Grants Management System

FY 85 CONTRACT AWARDS

CONTRACT NUMBER	CONTRACTOR	AWARD AMOUNT	PROJECT DESCRIPTION
DC 85-2	Ann D. Rosenstein Washington, DC 20017	$4,517.57	Consultant Services
DC 85-3	Evaluation Technologies, Inc. Arlington, VA 22201	$168,212.99	Photocopy Services
DC 85-4	CMIS, Inc. Vienna, VA 22180	$103,221.00	Design and Implementation of a Grants Management System
DC 85-6	John Kerr Newport, RI 02840	$13,700.00	Consultant Services
C 85-197	Carol Ford Alexandria, VA 22304	$12,587.00	Consultant Services
C 85-257	J. Miller Washington, DC 20009	$230.00	Services to the Theater Program
C 85-270	Travel Industry Association Washington, DC 20036	$130.00	Membership in the Association
P 85-239 240	Derry Noyes Graphics Washington, DC 20007	$450.00	Design Mock-ups for certificates
P 85-6	Ann Rosenstein Washington, DC 20017	$2,635.25	
C 85-260	National Assembly of Local Arts Agencies Washington, DC	$1,800.00	Registration fees for NALAA meeting
G 85-31	Evaluation Technologies, Inc. Arlington, VA 22201	$6,800.00	Funding for photocopy overage in accordance with Photocopy Contract

FY 85 CONTRACT MODIFICATION AWARDS

CONTRACT NUMBER	MOD No.	CONTRACTOR	AWARD AMOUNT	PURPOSE
DC 84-1	1	Xerox Corp Arlington, VA 22201	$20,222.70	Photocopy Services
DC 83-1	4	Rolm Corporation Tysons Corners, VA 22180	$108,019.32	Funding action for telephone system contract

FY 84 CONTRACT AWARDS

CONTRACT NUMBER	CONTRACTOR	AWARD AMOUNT	PROJECT DESCRIPTION
DC 84-1	Xerox Corp Arlington, VA 22201	$163,360.00	Photocopy Services
DC 84 3	Ann D. Rosenstein Washington, DC 20017	$3,500.00	Consultant Services
DC 84 5	Michele Voso Peekskill, NY 10566	$3,731.00	Services to the President's Committee on the Arts and the Humanities
DC 84 6	Fraser Barron Washington, DC 20007	$37,202.00	Consultant Services
DC 84-7	Bridget McMinn Washington, DC 20008	$1,005.00	Editorial Services for "Guide to the NEA"
DC 84-11	Carol Ford Alexandria, VA 22304	$14,168.00	Project Liaison Services
DC 84-13	Larry Chernikoff Washington, DC 20012	$11,723.00	Consultant Services
G 84-14	Xerox Facility Management	$5,000.00	

FY 84 CONTRACT MODIFICATION AWARDS

CONTRACT NUMBER	MOD No.	CONTRACTOR	AWARD AMOUNT	PURPOSE
DC 83-8	2	Rolm Corporation Tysons Corners, VA 22180	$6,293.00	Funding action for telephone system contract
DC 83-8	3	Rolm Corporation Tysons Corners, VA 22180	$45,515.55	Funding action for telephone system contract
DC 83-45	1	Larry Chernikoff Washington, DC 20012	$3,663.00	Consultant Services
DC 84-3	1	Ann D. Rosenstein Washington, DC 20017	$27,314.00	Consultant Services
DC 84-·	1	Michele Voso Peekskill, NY 10566	$13,062.00	Services to the President's Committee on the Arts and the Humanities
DC 83-·5	2	Joe Bastida Rodriguez Arlington, VA 22206	$28,234.00	Consultant Services

Outstanding Student Loans

Question. At last year's hearings, the matter of withholding support to potential recipients with delinquent Federal education loans was discussed. Please update the subcommittee on this matter.

Answer. The National Endowment for the Humanities recently received approval from OMB to include a provision requiring certification that neither the institution nor the applicant (if an individual) requesting grants is delinquent in paying any Federal loans or debts. The Arts Endowment is maintaining close communication with the Humanities Endowment and with OMB on this issue.

PERCENTAGE OF APPLICATIONS FUNDED

Question. What percentage of each category of grant applications are funded by the Endowment?

Answer. See attached schedule.

APPLICATIONS AND GRANTS BY PROGRAM: FY 82-86

PROGRAM	FY 82			FY 83			FY 84			FY 85			FY 86		
	Appl	Grants	% Funded	Appl	Grants	% Funded	Appl	Grants	% Funded	Appl	Grants	% Funded	Appl	Grants	% Funded
Dance	960	414	43.1%	1,044	547	52.4%	977	390	39.9%	1,131	366	32.4%	1,161	734	30.5%
Design Arts	916	270	29.5%	1,136	217	19.1%	718	169	23.5%	849	180	21.4%	756	165	21.8%
Expansion Arts	944	485	51.4%	723	361	49.9%	543	342	63.0%	522	467	78.8%	595	395	78.2%
Folk Arts	318	194	61.0%	377	228	60.5%	489	235	48.1%	443	208	47.0%	473	209	44.2%
Inter-Arts	378	223	59.0%	560	228	63.3%	594	305	51.0%	624	262	42.0%	590	265	44.9%
Literature	1,787	427	23.9%	921	360	39.1%	1,520	346	22.8%	2,142	298	13.9%	2,336	271	11.6%
Media Arts	677	292	43.1%	708	298	36.8%	843	265	31.4%	848	259	30.5%	960	235	24.5%
Museums	1,075	536	49.9%	1,051	662	57.3%	1,222	671	54.9%	1,359	643	47.3%	1,402	511	36.5%
Music	1,680	804	47.9%	1,934	917	47.4%	2,332	950	40.9%	2,065	859	41.6%	2,027	850	41.7%
Opera-Musical Theater	214	130	60.7%	247	160	64.8%	344	197	57.3%	320	173	52.7%	341	180	52.8%
Theater	956	662	62.3%	1,187	671	39.7%	627	279	44.5%	920	269	29.6%	768	259	33.7%
Visual Arts	6,137	607	9.9%	4,258	485	11.4%	5,724	551	9.6%	6,199	584	8.3%	5,729	462	8.1%
(Subtotal)	16,034	4,794	29.8%	14,926	4,866	34.7%	15,933	4,702	29.5%	17,339	4,420	25.5%	17,119	4,145	24.2%
Arts in Education	136	101	74.3%	198	105	53.4%	234	115	49.1%	217	113	52.1%	191	105	55.0%
Education	...	...	...	...	...	...	...	...	...	6	6	100.0%	7	7	100.0%
Locals Test	...	...	...	...	...	...	43	11	25.6%	28	11	39.3%	25	17	68.0%
State Programs	77	76	98.7%	72	71	98.6%	76	74	97.4%	73	73	100.0%	70	70	100.0%
(Subtotal)	213	177	83.1%	270	176	65.2%	353	200	56.7%	324	203	62.7%	293	199	67.9%
Advancement	11	10	90.9%	157	29	18.5%	276	37	13.4%	109	37	33.9%	a/	a/	a/a
Challenge	275	53	19.3%	220	35	15.9%	171	47	27.5%	149	50	33.6%	149	63	42.3%
(Subtotal)	286	63	22.0%	377	64	17.0%	447	84	18.8%	258	87	33.7%	149	63	42.3%
Policy, Plan. & Res.	325	54	16.7%	479	61	12.7%	249	63	25.3%	257	83	32.3%	271	77	28.4%
Administration b/	12	12	100.0%	7	7	100.0%	7	7	100.0%	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	16,868	5,090	30.2%	15,159	5,174	34.1%	16,989	5,956	29.8%	18,170	4,881	26.6%	17,832	4,484	25.1%

a/ Awards were components in grants made in prior years; therefore no new applications or grants are shown.
b/ Prior to FY 85 applications and grants shown under Administration were for Regional Representatives, which used Program funds.

SOURCE: Congressional Budget Submissions for Fiscal Years 1984 - 1986.

Question. What has been the trend over the years? Please provide the percentages, by category, for each of the last 5 years.

Answer. A comparison of the total number of applications received over the past five fiscal years, the total number of grants awarded in the same period, and the percentage of applications funded reveals some trends. There has been a general increase in the number of applications received by the Endowment, with the greatest number being received in FY '85. At the same time, however, the number of grants made and the percentage of applications funded has declined each year since FY '83.

The most obvious reason for this occurrence is the increased emphasis on quality within peer panel judgments made at the Endowment. The number of grants and the percentage of applications funded has decreased as more stringent review criteria have been employed.

There are some cases in which extreme deviations can be explained. These are as follows:

- In FY '83, an unusually large number of Dance grants awarded due to the fact that the Dance Program completed the forward funding of the Dance Companies category, thereby making two grants to some companies within the same fiscal year in order to have all companies on the same time frame in future years.

- The number of applications in Expansion Arts decreased after FY '83 due to the fact that some areas of support (such as Arts Exposure, Instruction, and Summer Projects) were discontinued.

- The number of applications in the Literature Program increased greatly in FY '85 due to guideline changes which provided for the support of creative writing in all genres each year instead of alternating prose, poetry, etc.

The charts used in the preceding answer shows the actual number of applications received, grants awarded, and the percentage of applications funded from FY 82 through FY 86.

Question. What are you doing to stimulate even more competition so that even better grants are apt to be funded?

Answer. We have extensive outreach efforts to try continually to enlarge the pool of eligible applicants to the Endowment. Our widely-distributed general information publication entitled Guide to the National Endowment for

the Arts outlines the entire agency's purposes and programs, and so helps groups and individuals assess, in a preliminary way, whether they might become applicants, and provides contact points for them at the Endowment. Our Public Information Office directs potential applicants to the appropriate Programs. Our Regional Representatives across the nation, do the same, as do many state, regional, and local arts agencies and the national arts service organizations.

Endowment staff devote a considerable amount of time to providing information and assistance to potential applicants. In addition, when Endowment staff travel, they frequently meet with would-be applicants (some do special workshops). The Endowment's Arts Review publication, available to the public by subscription, regularly lists application deadlines.

Finally, we believe the arts networks in the country are generally aware of the Endowment and its Programs, and that our grants are generally reaching the best artists and arts institutions in the country. That is not to say the Endowment should not continue its efforts to make sure that artists everywhere are aware of the Endowment's Programs; we should and we will. On the other hand, we believe the real issue is less one of stimulating additional applications than of funding effective mechanisms for reaching American audiences (wherever they may be) and strengthening state and local planning and decision-making to assist those not competitive on a national level.

Question. Is it possible for grants to go to the same individuals or organization year after year? If so, what percent of your awardees, for each of the last 5 years, received a grant two years running, and what percent received grants three years, or more, in a row?

Answer. We do not have precise statistics on what percent of awardees, for each of the last 5 years, received a grant two years running, or three years or more in a row. Over the past five years the Endowment has made more than 21,000 grants, and compiling the precise information requested would require an agency-wide manual search which would be prohibitive within the time available. Our newly-automated grants management system is beginning to provide additional possibilities for analysis and reporting of this kind of grants data, however, we will not be able to extract this information from our data base until after August 1, 1987.

However, we do have an overall picture with regard to ongoing grantees versus new grantees. This picture takes

into account the various programs and categories of support.

It is possible for grants to go to the same individuals or organizations year after year, although this is rare in the case of individuals. Those Programs and categories assisting the more institutionalized areas (such as museums, orchestras, and opera companies) tend to award relatively few "new program grants" each year (in the range of five to ten percent). The number of institutions in these fields eligible for Endowment grants will tend to be limited, and the levels of quality among these institutions do not usually change radically from one year to the next. However, panels which evaluate such applications do not give special consideration to previous grantees by reason of familiarity or any other criterion unrelated to quality.

On the other hand, in the less institutionalized or more project-oriented areas, the percentage of new program grants in FY '85, for example, was 21 percent in assistance for literary magazines; 22 percent in radio production/organizations; nearly 30 percent among chamber/new music/jazz ensembles; 33 percent in folk arts organizations; 50 percent in consortium commissioning; 78 percent in design demonstration.

Question. What percent of your grant funding, in each of the last 5 years, was awarded to the same grantee two years in succession, and what percent for three or more years in a row?

Answer. Please see our response to the preceding question. Accurate statistical data of this type is not yet available, although we believe the principles outlined above provide a reasonably good overall picture of agency activity.

FIVE YEAR PLAN

Question. How does your five year planning process impact on your program?

Answer. The five year planning process seeks to provide an up-to-date overview of the fields we serve from a national prospective. Through this process, we monitor trends and identify needs and opportunities to be addressed, whether by the Endowment or others in the field, and examine present Endowment programs and ideas about the future.

The five-year planning process annually updates the Endowment's Five-Year Planning Document, produced in February 1984 at the request of our House Appropriations Subcommittee. These annual updates allow the National Council and Endowment staff to consider developments which may require changes in our emphasis or strategy.

The planning process helps us to identify needs or initatives to be addressed in our budget and programmatic plans. For example, the February 1986 update of the Five-Year Planning Document noted that the Museum Program's 1985 seminar participants identified the need for many museums to define their artistic missions after a period of rapid growth and change. To address this need, the FY 1987 Museum Program budget included $1,000,000 for Special Artistic Initatives. This category supports significant long-term efforts by museums to reaffirm or redefine their mission with carefully coordinated programs focused on the use and interpretation of their permanent collections.

Other issues identified in our most recent planning update include: concern that financial stability is being achieved at the expense of artistry; the need for improved facilities for mid-sized organizations in several fields; and the need for increased access to commercial distribution systems in the areas of music recording, book publishing and film-video production. These latest concerns are currently being addressed through studies and discussions with the fields.

Updates of the Planning Document are reviewed in draft form by our panels, field advisors (who, like our panelists, are regularly rotated), state arts agencies, regional organizations, and the national arts service organizations. This process gives those that share responsibility for support of the arts an opportunity to participate in our planning process. The Five-Year Planning process serves to guide on a multi-year basis future shifts in emphasis in Endowment programs.

Question. Does this effort help identify trends and allow the Endowment to alter its policies to cope with emerging trends, such as increased private and state funding for the arts and the probable impact of the recent tax changes on private donations? Please elaborate for the record.

Answer. The five-year planning process is intended to help the Endowment identify significant trends, so that policies can be modified, as needed. Certain trends such as state arts agency appropriations are easy to monitor, while other elements are difficult to track because of the

lack of reliable, comparable data in most of the arts fields. This problem will be addressed over time by our State of the Arts data collection and Reports, which will increasingly impact on our five-year planning process.

We collect and analyze the information currently available. We use data developed by the performing arts service organizations to examine trends in contributions, earnings, and expenses for these fields, as well as to examine to what extent increased private and state funding has impacted on the operations of these organizations over the last few years.

Examples of how we use relevant data follow: 1) data on the growth of State Arts Agency budgets have led to the reassessment of the apportioning of the 25 percent of State Program funds which is discretionary; 2) data collected in our cooperative study with NASAA on public arts agency involvement in touring and presenting is the point of departure for discussions with the arts fields and our public partners regarding the best ways to address the issue of support for touring and presenting activities; and 3) data obtained through our Study of Public Participation in the Arts underscores the importance of the new emphasis on the Arts in Education Program, encouraging serious and sequential arts education in the schools, K-12.

Our Five Year Planning Process will continue to attempt to identify and analyze trends so that our programs can be tailored to make the most effective use of the taxpayers' Dollars in accordance with our authorizing legislation's emphasis on artistic excellence and access to, and appreciation, of quality in the arts.

While the Tax Reform Act of 1986 has introduced some uncertainty into the outlook for private contributions to the arts and it will be difficult to assess its full impact until after it is fully implemented, I believe its impact will be minimal if anything. Independent Sector has been concerned that lowering marginal tax rates and eliminating deductions by non-itemizers -- thus increasing the "cost" of contributions -- would substantially reduce contributions (to all philanthropy) in 1988 -- by 8 percent or $6.4 billion. It is very unclear that this would be the result, particularly for arts giving. Marginal rates have been coming down since World War II and giving, particularly arts giving, has been going up, substantially, along with the economy. It should be noted that the 1981 reductions of rates on investment income did not adversely affect charitable contributions. With regard to non-itemizers, there is no evidence that their gifts increased as a result of the 1982 law providing for them. We, therefore, do not

expect the rate reductions or the elimination of deductions by non-itemizers to have a significant effect on charitable giving to the arts. The principal determinant will, we believe, continue to be income; and, if the economy remains strong, that should increase.

On the other hand, the addition to the alternative minimum tax base of the amount of appreciation attributable to a gift of a work of art or securities could have a negative impact on gifts of appreciated property. This could affect museum acquisitions since, according to many museum sources, 70 percent of the value of works of art accessioned by museums is donated by individuals. It could also affect lead gifts in endowment campaigns. The ultimate impact of these provisions depends, however, on who under the Tax Reform Act will be subject to minimum tax. Long-term capital gains treatment will no longer be a preference item but certain passive losses will be. It is too early to tell what the aggregate impact of these various changes ultimately will be. And, although the impact will clearly be negative with respect to some specific gifts, the overall impact on philanthropy is estimated to be less than one percent in 1988.

We will continue to consider this issue as part of our ongoing planning process.

Question. Please indicate for the record how the Endowment's five year plan can and will be used to address the Committee's concerns about the disproportionately large share of grants and funding being received by applicants from the large states.

Answer. Examination of the Endowment's funding record does not support the observation that underlies the Committee's concern. A previous chart displays the distribution of Endowment funding in the 56 States and special jurisdictions. This funding is the result of thousands of individual decisions about artistic excellence which have been made by panelists examining the applications received by the agency in FY 86.

In encouraging "national progress in the arts" (our statutory purpose), the Arts Endowment, much like the National Science Foundation, seeks to fund the best and most promising applications nationwide. As a grant-making agency, the Endowment responds to applications received; the numbers of applications, received vary greatly from State to State. Grant application ratios suggest that competition for Endowment funds is stiffer in the more populous areas, which are the sources of most of the applications received. While the average for the agency as

a whole was 23.3 percent in FY 86, such states as California and Massachusetts experienced 23-24 percent. Many less populous States had a much higher "success ratio": Arkansas 37.2 percent; Idaho 33.3 percent; Missouri 32.6 percent; Georgia 31.6 percent.

As indicated earlier, we examined FY 86 funding patterns for the ten most populated states. Our preliminary analysis shows that when consideration is given to the national and/or regional impact of grants made to organizations in these states, and when we consider the distribution of the artist population, the more populated states are not obtaining an unreasonable proportion of the Endowment's funding.

Although decisions on individual grants are not made on the basis of origin, it should be noted that the per capita distribution of Endowment funds is actually greater than the national average in many rural States. While total FY 85 Endowment support (excluding projects of national or regional impact) averaged $0.48 for each citizen of the United States, grant funds to the ten States lowest in population density averaged $0.68 per capita.

It is also interesting to note that in some of the most rural States (e.g., Idaho, Nevada, North Dakota, South Dakota and Wyoming), Endowment support (net of funding for projects of national or regional impact) represents more than double the level of arts appropriations by the States themselves, even though the aggregate of all 56 State Arts Agency appropriations exceeds total Endowment funds.

Much of what we do in reaching smaller communities is done through our public partners, the state and local arts agencies, and through regional organizations. They are often in a better position than we are to identity and make appropriate funding decisions with respect to applicants who have not yet artistic excellence on a level that can appropriately be judged by a national peer panel.

The five-year planning process, in which the state arts agencies and regional organizations participate, raises issues to the planning agenda. Distribution of the document to all the state art agencies and regional organizations increases field attention to matters of concern. At this time, the Endowment's Public Partnership office is reviewing with the States and regions current provisions for apportioning the 25% of State Programs funds which is discretionary and considering ways in which funds might be more effectively used in addressing priorities shared by the States and the Endowment.

The planning process will continue to explore areas in which initatives administered in cooperation with the state and regional arts agencies may yield substantial long-term benefits. These include enhanced support for the arts outside major urban centers through touring and presenting of programs of high quality and through development of local arts resources. Involvement of underserved groups in arts programs inside as well as outside major urban centers is a priority for both the state arts agencies and the Endowment and another area in which planned coordination of Federal and State efforts might prove valuable.

Finally, the new Challenge focus on access, appreciation and improving non-Federal support systems, in addition to artistry, should increase the opportunities for groups in less populated areas to participate in this program.

Administrative Costs

Question. What further actions are you taking to hold down administrative costs?

Answer. We are holding down administrative costs by taking the following actions:

a. Evaluating essential administrative functions and services in order to determine which are more economically performed by contractors, other federal agencies,or the private sector. In FY '86, for example, we discontinued in-house travel services. We now use the services of a commercial travel agent, at no cost to the agency. During FY '86, we reviewed specifications for a personnel management system which we had intended to develop through a contract with a commercial computer software vendor to meet Office of Personnel Management automated reporting requirements. In evaluating options, including cross-servicing arrangements with other federal agencies, we determined that it is most cost-effective to obtain both payroll processing and automated personnel management services from a single source. Accordingly, in December 1986, the Endowment converted its payroll processing from the General Services Administration system to one operated by the Department of Agriculture's National Finance Center. We are now able to receive both payroll processing and an automated personnel management system. This approach eliminated the need for development and maintenance in-house of a separate personnel management system with an estimated savings of more than $150,000 over the next five years.

b. Evaluating and justifying personnel recruitment and promotion actions. All Endowment personnel actions for

recruitment of personnel to fill existing vacancies or promotion of personnel must be justified by the initiating office or division and reviewed by a Personnel Committee comprised of senior staff members. All recommendations of the Personnel Committee are subsequently reviewed and acted upon by the Chairman. This system ensures that the Endowment recruits only for the most essential vacancies, that we recruit at the lowest grade practicable for the position, and that we do not exceed our authorized "full-time equivalence" of staff. In addition, promotion recommendations are carefully evaluated to determine that the duties and performance of the incumbent warrant a promotion and that the effect of the promotion on the administrative budget has been considered.

c. Implementing means to reduce typesetting and printing costs. The Endowment's FY 1986 Annual Report to the Congress was prepared on our computer system in such a way that the typesetter did not have to re-enter the information into their system or to add the special codes necessary for typesetting equipment --- both of which add dramatically to typesetting costs. The annual report information and the codes will be furnished to the typesetter on magnetic media. In the future, we expect that other printed material will be prepared in a similar manner at lower cost.

Question. What factors are driving up administrative costs, such as increased federal per diem costs, and what can be done to control such administrative costs increases?

Answer. The Endowment has taken a number of steps to improve productivity and minimize cost increases, e.g., the introduction of a modern ADP system, the purchase of a telephone system to reduce communications costs and some reductions in staffing. The principal factors driving up administrative costs are: mandated pay raises for Federal employees, such as the three percent pay raise effective January 1, 1987; costs associated with the new Federal Employee Retirement System; increases in the GSA per diem rates for high-cost cities; and GSA increases in our space rental costs. These factors are not within our control.

In the case of costs associated with the new Federal Employee Retirement System, each Federal agency is now expected to contribute toward retirement costs on a "pay-as-you-go" basis. In the case of space-rental cost increases, we have no control over the annual "Standard Level User Charges" (SLUC) mandated by the General Services Administration. There is a correlation between the amount of space which we occupy and the annual SLUC charge. We currently occupy the minimum space essential to our

mission, and we have configured our office space as efficiently as we can, given the limitations which a historic building imposes. We do not believe that any further reductions in space are practical.

Student Loans

Question. As we discussed at the Humanities portion of this hearing, the National Endowment for the Humanities established a policy last year where applicants would be denied if they had delinquent Federal education loans.

- Have you had an opportunity to review that policy and if so, do you have any similar plans?

Answer. We are maintaining close communications with the Humanities Endowment and OMB on this issue. We intend carefully to review the Humanities Endowment's experience in implementing this provision before formulating an appropriate policy for the Arts Endowment.

Arts Programs

Question. For the arts programs, you are requesting $79,100,000 in FY'88. This is a reduction from the FY'87 enacted level of $95,600,000. In order to accomplish this reduction the number of grants will be reduced by 10 percent (4,027 in FY'87; 3,624 in FY'88). The Endowment, however, anticipates applications to increase slightly from 16,774 in FY'87 to 17,132 in FY'88. Do you have any plans to change the award criteria in FY'88 to facilitate this increased competitiveness?

Answer. We do not plan to change the award criteria. We will address this reduction with a combination of fewer grants, to the most highly qualified applicants, and lower grant amounts.

Question. Will the ratio of new grants as compared to re-grants change because of this decrease?

Answer. As discussed in an earlier answer, we do not have a policy of "re-grants". Applications are judged by panels on the basis of their quality. At the same time, we do not expect any major change in the ratio as between grants to organizations which have previously received grants and grants to organizations which have not previously received grants, though there may be marginally fewer of the latter awarded.

Question. Is there a particular reason why you anticipate the grant awards to decrease in all arts programs except in Design Arts?

Answer. The Design Arts Program reorganized its category structure for this year (FY 1987) and does not yet have, therefore, a track record of grant numbers from which to make projections. However, the number and quality of applications are increasing, so our best current prediction is that the overall number of grants will hold steady, and the funding reduction will be absorbed by reducing grant amounts.

Question. In FY'87, funds were provided to study the possibilities for recycling video cassettes of television arts programs for use in education. In addition, some of these funds were used for actual reproduction and distribution. How successful was this program?

Answer. For several years the Endowment has been in exploring ways that NEA-funded arts programs can be recycled to new audiences following their public television broadcast.

At the May 1987 meeting of the National Council on the Arts, two new prospective projects will be considered. One is a project to research a plan for the release of programs from the Dance in America series library for educational and home video purposes. Dance America which began in 1976 in response to an Endowment grant to showcase and preserve 20th century American dance, is one of the most extensive and impressive libraries ever recorded of a nation's dance activities. The second project is for the acquisition and release of a series of works on the history of the independent film and video movement, these series should be invaluable to university film/video departments. Also, in 1985, in cooperation with the President's Committee on the Arts and the Humanities, the Arts Endowment and the Exxon Corporation funded a pilot program to place a selection of Great Performances television programs in public libraries, in Shepardstown, West Virginia; Baton Rouge, Louisiana; Billings, Montana; Philadelphia, Pennsylvania, and New York City.

Question. What are your FY'88 plans in this area?

Answer. The results of our FY 87 grants will be monitored carefully in FY 1988. If the cassette distribution of programs proves to be feasible, FY 88 Endowment support will be used to continue these efforts.

Challenge Program

Question. According to your justification, FY'88 represents a transition year for the Challenge program. Part of the FY'87 funds, with some FY'88 funds, will be used for grants for the most highly qualified applicants under the old Challenge approach.

A second portion of the FY'88 funds will be used to begin the new Challenge effort. This new effort is designed to encourage anybody to apply that can make a major difference in art or access to the art form. The old effort focused on simply strengthening the most established institutions. What has been the response to this change so far?

Answer. The Endowment sought comment and advice from many sources during the design of the Challenge III program. The concept was developed through meetings of a broadly representative ad hoc committee, whose membership included artists, arts administrators, educators, and private funders. It was further shaped through consultation with many individuals and institutions, and received final endorsement from the National Council on the Arts.

Field response to the Challenge III Program, has been positive. While any new directions of a funding program creates initial uncertainties, formal and informal reactions to date indicate considerable support for this new program. A recent article in the Los Angeles Times quotes Gary Young, Chairman of the National Assembly of State Arts Agencies, on the new program:

"The larger drift of the whole Challenge Grant Program is much more accommodating to the kind of initiatives that states would look at, as well as some of the needs of the states' constituents...mid-sized organizations, smaller organizations, artists' organizations, and also it allows for new configurations of those kinds of organizations to work [together]...on a major partnership."

Question. What portion of the FY'87 and FY'88 Challenge funds will be used for the new program?

Answer. Combining FY 87/88 funds is possible in Challenge because of the two-year cycle of Challenge funds. This allows some flexibility in the dollar awards that will go to Challenge II in relation to Challenge III. The portion of funds which will specifically be allocated for Challenge III is dependent upon three factors:

1) The dollar amount recommended for Challenge II applicants by the Challenge Review Committee and the National Council on the Arts which will meet in July 1987; and

2) The number of applications and total dollar amount requested by Challenge III applicants which will not be known until the deadline, also in July of 1987.

3) The quality and competitiveness of applications received.

Question. When do you anticipate the old Challenge program to be phased out?

Answer. It is anticipated that Challenge II funding will continue for one and possibly two additional rounds with timing depending upon the number of remaining competitive applicants.

Question. In 1985, Congress recognized the need to expand the Arts in Education program. Over the years, this program has helped provide student access to artists in many different communities through its support for artist residencies in schools. Because of access, however, this has been restricted to few schools. How will you stimulate efforts to improve arts education in our nation's schools?

Answer. This question requires clarification of how artists residencies relate to arts education initiatives. Artists residencies are just one part of a comprehensive arts education program in the schools. The latter requires attention to goals and standards, student accomplishment and testing, use of community resources, and the evaluation of curricula and teaching effectiveness.

Since 1969, the Arts in Education Program, through its support for artist residencies, has provided funding for approximately 57,200 artists working in 97,100 sites (schools, hospitals, adult education classes, etc.) and has involved 764,500 teachers and administrators and the participation of 24,700,000 students throughout the United States.

The new category for Arts in Schools Basic Education Grants will allow us to explore stimulating the school system itself. The ultimate and long term goal is to begin a process whereby in time all school districts might see it as in their interest to make the arts a more basic part of education. We are beginning this process by encouraging state arts agencies to collaborate with state education agencies in planning the gradual inclusion in schools of

sequential arts curricula so that all students, whether or not they are gifted in the arts, might one day graduate from high school with a basic sense of the forms of artistic expression which lie outside the popular culture of the moment: i.e., our cultural heritage and much of contemporary expression.

Questions Submitted by Senator Dennis DeConcini

Question. With Congressional concern for improvement in Federal art support to minorities and rural areas, how do you propose to direct NEA funds for broader accessibility?

Answer. The Endowment will continue to provide programs of support for eligible applicants of all backgrounds in all parts of the nation. Through staff efforts and initiatives specifically directed toward under-served groups, we will seek to enhance the accessibility of Endowment programs.

One major potential resource for rural communities is the new Local Programs. Of 140 Local Arts Agencies (LAA) which participated in the first four rounds of the Test Program, 69 or 41% were LAAs in rural communities (smaller than 50,000 and outside Standard Metropolitan Statistical Areas (SMSAs)).

The Endowment plans to work closely with its public arts agency partners process to develop strategies to encourage increased arts activities in rural areas.

Among other ongoing Endowment efforts specifically directed toward minority and rural groups:

The Expansion Arts Program supports organizations deeply rooted in and reflective of minority, inner city, rural, or tribal communities. The Folk Arts Program works to preserve and encourage the best among America's traditional art forms from all cultures.

The Inter-Arts Program funded in FY 86 such presenting organizations as the Black Arts Alliance, Inc. of Austin, TX, the Japanese-American Cultural and Community Center of Los Angeles, CA; the Native American Centre for the Living Arts, Inc. of Niagra Falls, NY; Humbolt State University Foundation in Arcata, CA; the Lewis-Clark State College, in Lewiston, ID; and the Texarkana Regional Arts and Humanities Council of Texarkana; TX for their presenting and audience development activities.

The Media Arts Program funded in FY 86 such organizations as Black Filmmaker Foundation of New York, NY Cine Accion, Inc. of San Francisco, CA, University of the District of Columbia, Washington, D.C., Southern California Asian-American Studies Central of Los Angeles, CA, Radio Bilingue of Fresno, CA and Appalshop Inc. of Whitesburg KY for a variety of projects to make the arts of film, video, and radio more widely appreciated and practiced in and beyond their communities.

The Museum Program in FY 86 supported conservation surveys and activities in a number of museums, including the Bernice B. Bishop Museum of Honolulu, HI for ethnographic conservation needs, the Maui Historical Society in Wailuku, HI, the Museum of the American Indian/Heye Foundation, NY. Its support of special exhibitions included such museums as the Studio Museum in Harlem, NYC (to support an exhibition of the work of contemporary artist Howardina Pindell); Bronx Museum of the Arts, Inc., Bronx, NY for a catalogue to accompany an exhibition, "Latin American Presence in the United States, 1920-1970"; Chinese Culture Foundation of San Francisco, CA (to support an exhibition of art from the Han Dynasty); the Fort Wayne Museum of Art, Inc., Fort Wayne, IN (to support an exhibition of contemporary American Indian Art); and International Art Relations, Inc., New York, NY (to support a five-part, multi-media exhibition of Mexican American Art). All Programs include numerous examples of grants to minority grantees and to organizations in and/or serving rural areas.

Over the past year, the Director of the Expansion Arts Program conducted workshops to inform and encourage new applicants in North and South Carolina, Texas, Arizona, and Louisiana; the year before, he conducted such workshops in the Northwest. These trips were also to develop potential applicants to the Community Foundation Initative, which is intended to develop endowments whose income will be directed to the support of minority and emerging groups.

All Arts Endowment Program Directors and Assistant Program Directors are encouraged to follow travel itineraries which take them to rural areas, to less populous states and to conferences or other opportunities having the potential to encourage broader accessibility to the agency's grant-making programs. During the past fiscal year, some examples included: the Director and the Assistant Director of the Music Program attended a meeting (in Anaheim, CA) of the National Association of Jazz Educators in an effort to encourage increased applications; the Assistant Director of the Literature Program attended a translation conference on new Latin American poetry (in Durango, CO); the Director of the Design Arts Program met with the mayor and the planning

commission in Charleston, SC to promote sensitive design for low-income housing in minority neighborhoods; the Director of the Visual Arts Program did extensive traveling to states and communities never before visited by a Visual Arts Program Director, including several small communities and rural regions of Indiana, and the cities of Reno and Las Vegas in Nevada; the Director of the Expansion Arts Program visited Kalamazoo, MI to evaluate a "community initiative" application; an Arts Specialist from the Folk Arts Program provided technical assistance to those involved in the Rockbridge Mountain Music and Dance Convention, which presents traditional mountain music and dance to rural audiences in southwestern Virginia; and the Assistant Director of the Folk Arts Program attended a Mexican Folk Arts Conference (in San Francisco, CA) and met (in Bakersfield, CA) with a Mexican-American candidate for appointment to an Endowment advisory panel.

In FY '87, the following is a brief sample of some of our staff travel "outreach" efforts: the Acting Director of the Inter-Arts Program recently met with small and rural arts presenters of Idaho, Oregon and Washington (in Eugene, OR); the Director of the Dance Program will meet with representatives of a performing arts center in St. Johnsbury, VT and of an arts organization in Old Towne, ME to explain application procedures and encourage applications; the Director of the Visual Arts Program will visit small communities in Nebraska, Colorado and Montana; the Director, State Programs will meet with the Idaho Commission on the Arts (in Boise) to encourage efforts to increase access to the arts in rural areas; and the Director of the Expansion Arts Program will attend a major conference on contemporary and Native American arts in Abiquiu, NM as well as meet with the Albuquerque and Santa Fe Community Foundation and the New Mexico Arts Council.

The Organizational Development Pilot (ODP) is a cooperative effort by the Expansion Arts and Dance Programs designed to help dance companies that are eligible for Expansion Arts support to develop institutionally. If it is successful, this pilot effort may be extended to other Programs.

The Media Arts Program plans to encourage state arts agencies to share support of new media arts centers, including centers that are accessible to minorities and minority art forms.

State Programs seeks to develop and implement more effective standards for involvement of underserved populations (e.g., minority, poor, and rural populations) in state and regional arts agency planning and programming.

Question. When do you plan to extend eligibility for challenge grants to state arts agencies and what kinds of projects do you anticipate funding?

Answer. The newly constructed Challenge III program provides broadened opportunities for applications from a variety of institutions and agencies, including arts organizations, state and local arts agencies, regional organizations and other organizations (e.g., organizations involved in media, publishing, recording and education) and consortia of such institutions.

The Challenge III grants will finance major projects of the highest artistic quality on a national basis, projects aimed at improving access to quality arts, projects broadening appreciation of the arts and projects which would enhance long-term the non-federal support systems for the arts (for example, through sub-granting or technical assistance programs).

Challenge III applications are due to be submitted on July 2, 1987. Announcement of the first round of Challenge III grants will be made in October 1988.

Question. As NEA appropriations have grown slightly in recent years, what has been the effect on grants in the major discipline programs? Are you awarding fewer or more grants this year than two years ago?

Answer. We cannot report yet on this year, FY'87, as applications are still being reviewed by panels and the National Council. However, a comparison of Fiscal 1984 (appropriation of $162,223,000) versus Fiscal 1986 (post G-R-H appropriation of $158,538,000) shows that the number of grants in the Arts Programs (excluding Partnership and Policy, Planning and Research) decreased from 4,702 in FY'84 to 4,145 in '86. This represented roughly 93 percent of the total number of grants given in both years. With respect to the single-discipline programs, the number of grants dropped from 3,822 in FY 84 to 3,276 in FY 86; as a percent of total grants given in those two years, however, the proportion of total Endowment grants by the single discipline programs increased from 76 percent in FY 84 to 83 percent in FY 86.

Question. Should the federal and state governments share equally in the responsibility for public support of the arts or are some aspects of funding better suited to one level of government?

Answer. Federal and state governments currently share in a wide variety of responsibilities on behalf of the

arts. The National Endowment for the Arts and state arts agencies will, more often than not, fund together arts institutions of national and regional significance. But the Endowment places its emphasis on funding artists and arts institutions of national significance or potential, and relies on its state and local arts agency partners, as well as a variety of private institutions (e.g., community foundations), to identify and assist artists and arts institutions of state and local significance which have not yet achieved national or regional standing.

It is important to note that many institutions that the Endowment supports in one state bring the arts to people in many states. This is particularly true of our support of television and radio programming in the arts through grants to public radio and television producers. Of the $140.6 million given in grants in FY 1986, a total of $40.8 million or 29% was spent on projects that directly reached audiences in more than one state ($30.9 million or 22% reached national audiences). Most of this arts funding can only be done by a national agency.

On the other hand, there are a great variety of artistic activities which can only be identified and judged at state or local level. Many of these activities may be of high importance to the communities involved but not yet be at a stage where they can adequately be judged by national peer panels. In addition to our block grants to state arts agencies (20% of our Program budget), we initiated in 1983 a Locals Test Program (now Locals Program) to stimulate (I) new and increased public local support for the arts at the local level and (II) an orderly planning process for the expenditure and investment of these monies. In its four years of existence, this program has been extraordinarily successful in increasing and improving local public support and decision-making; $8 million in Federal funds has generated $56.3 million in new state and local funding (of which $41.2 million is new and increased state and local public funding).

In between the national projects that benefit people in many states and regions and the strictly state and local projects, artists and arts institutions that have both national and state/local significance. Included here are a wide variety of arts institutions of the highest excellence which are competitive nationally and important specificaliy to the state and locality in which they are located. In this area, the Endowment and state and local arts agencies all provide support.

Notwithstanding our different roles, the critical objective here is for the Endowment and the state and local arts

agencies to work together in supporting the arts. It is important that we share information about what each level of government is in fact doing. We do this now, and are increasing the interchange. We further need in a number of areas to plan jointly so as to achieve strategies whereby our combined use of taxpayers' dollars can have an effect greater than the sum of the parts. In this respect, we are also reviewing with the States current provisions for apportioning the 25 percent of State Program funds which are discretionary in order to consider ways in which funds might be more effectively used in addressing priorities shared by the States and the Endowment. The usefulness of planning with our public partners, considering together alternatives for action from the different perspectives involved, has become clear to all invovlved.

Question. How do you foresee the development of the Artists-in-Education program? Would you plan to allocate more funds for education equal to the high priority you have given to the issue of arts in education?

Answer. The Arts in Education Program (formerly called the Artists in Education Program) has been revised to reflect a concern about encouraging collaborative efforts on the state and local level to establish basic and sequential courses in the arts from kindergarten through high school. The overall percentage of the Endowment's budget allocated for the AIE Program in FY 88 is 3.5 percent, reflecting a slight increase when compared to the 3.2 percent in FY 86 and FY 87. Future development of the Program and additional allocation of funds will depend on State Arts Agency planning and implementation strategies to make the arts more a basic part of education. We are currently making planning grants to 16 states in this respect. Additional funding allocation will depend on an assessment by the Endowment and Congress of needs identified by state planning for arts education in relation to other Endowment priorities.

Question. The state arts agencies and the National Endowment for the Arts have established a working partnership that provides block grants to the states to support arts programs. What effect is the National Endowment for the Arts having at the local--county or city--level in supporting the arts?

Answer: The direct support which the Endowment provides to artists and arts organizations certainly has an impact on the communities in which they reside and operate. The Endowment's Local Programs challenge local governments to increase support for the arts through local arts agencies. In addition, the Endowment grants to State

arts agencies and regional organizations affect a broad number of localities which benefit from grants awarded by the 56 state arts agencies and seven multi-state regional organizations which the Endowment helps to support.

In FY '83, for example, five Upper Midwest state arts agencies (in Iowa, Minnesota, North Dakota, South Dakota and Wisconsin) awarded a total of $4 million in 1,500 grants to artists and arts organizations in 379 communities throughout the five-state area. Forty-two percent of this support went directly to artists and organizations in communities of less than 50,000 people. In the same year the regional organization serving the above-mentioned states provided a total of $198,000 dollars in the form of 218 grants to support the presentation of performances and exhibitions in 117 communities, 60 percent of which have populations under 50,000.

A study of FY '85 activities revealed that the regional organizations awarded approximately 2,300 grants to groups in 852 communities. Seventy-six percent of these grants went to groups in communities of fewer than 50,000 people. In considering statistics of this kind, it should of course be noted that the benefits of a grant frequently extend beyond the community in which it is awarded.

Question. The Locals Test Program of the National Endowment for the Arts has established a track record yielding remarkable results, including support to 198 local arts agencies serving 2,539 communities. How has the NEA planned to continue the service level of the Locals Test Program? What has been the level of requested support from local arts agencies in past years, and what is the ratio of grant requests to grants funded?

Answer.

a. At the requested budget level, grant funds to local and state art agencies under our Local government Incentive Category would increase to $100,000 or five percent and funds in the Local Arts Agency Development Category would increase to $200,000 or 100 percent. This will enable the Endowment to provide additional funds for the Local Government Incentive Category, to expand our services to the Local arts agency field by increasing funds for Leadership Education and Services Grants, and to establish a new sub-category of Planning and Administrative Grants for local and state arts agencies.

b. During the Test period (1984-87) we received 107 applications requesting $25,255,085. We were able to fund

58 applications (45 percent) with $8,670,000 or 34 percent of the total dollars requested.

Question. How has the National Endowment for the Arts' Artists-in-Education program assisted schools in developing the creative abilities of our nation's next generation of scientists, technologists, artists and managers? How does direct contact between artist and child assist the child's development.

Answer. It is not clear precisely how the Endowment's Artists in Education program has assisted schools in developing the creative abilities of our nation's next generation of scientists, technologists, artists and managers. We have no real evaluation of the Program in this respect; nor are we aware of any comprehensive study of how direct contact between artists and children assists a child's development. On the other hand, there is anecdotal evidence and a study by the Western States Arts Foundation which would indicate that our Program has been effective in placing artists in schools and that this placement has been of benefit to arts education generally. And, there are a number of general studies which show that arts education (of different kinds) can have a positive impact on students' achievements in other classes. The role of arts education in developing creative and problem solving skills is undoubtedly helpful here.

At the same time, it must be emphasized that creativity is not the exclusive province of the arts. Nor are the arts exclusively a creative activity. All subjects of human endeavor require both creativity and discipline and craft. You cannot make a drawing without knowledge of line, color and perspective and how others have drawn before; similarly, you cannot perform a chemistry experiment without knowledge of elements and compounds and the likely effects of using them in particular ways. Nor can one understand history without both the facts (to the extent they are know) and creative connection among those facts.

The Endowment believes that the arts are a legitimate subject of study in schools in their own right. This is so in the same sense that the study of literature (an art) is inextricably related to the study of language; literature is the art of using language. And, it is this literary art (the Endowment has a Literature Program) which contains the wisdom and form of expression which the best writers have from the time of the invention of writing provided as an element of civilization. Literature and language arts are already basics in the school. Similarly, the performing arts and the visual and design arts should be taught as basics; they contain the wisdom and forms of expression of

their artists and are no less important than the literary arts in imparting parallel to what one reads, a sense of what one sees and hears in both our inherited and contemporary civilization.

The Endowment believes that arts education requires the help of both artists and teachers many of whom combine both sets of credentials, and that the development of creativity must be linked with the development of discipline and craft. The arts are in this respect no different from other subjects. The problem in arts education, unlike the more accepted academic subjects, is that the arts are more often than not treated as recreational. The Endowment hopes to convince at least some, that the arts are intrinsic to education, as an end as well as a tool.

Question. Your budget request for 1988 proposes a decrease of 12% vs FY'87 or approximately $20 million. What impact will this decrease have on arts programs and activities nationwide?

Answer. Given that the total budget for the National Endowment for the Arts is a fraction of the total not-for-profit arts economy, the proposed 12% reduction will not reduce dramatically the quality or reach of arts programs and activities nationwide.

With respect to the precise impact of decreased Endowment grants and funds, the 12% reduction will result in an estimated 8% fewer grants in FY 88 vs. FY 87. In most instances, programs will opt to award grants which are slightly smaller, rather than reject worthy grantees. Organizations will need to rely more intensively on other sources of support. If the historic growth in private giving as well as in state and local appropriations continues, such funds will more than offset the decline in the dollars available from the Endowment. The increase in private arts support from 1984 to 1985 was $590 million, 27 time the proposed decrease in Federal support.

With respect to grants to individuals, the Programs which support these efforts have been reduced less than Programs where institutional frameworks exist. The one exception to this is in the area of Public Partnership. Here, where we are actively trying to lever new funding for the arts, reductions have been minimized, and in fact Local Programs would be increased 14%.

By maintaining funding at $145.2 million, the Endowment will be able to maintain its focus on artistic excellence and access to such excellence. It will have sufficient funds to engage in partnerships designed to

assist the arts -- partnerships with private sector funders, with state and local arts agencies, and with other relevant sectors of the Federal government. The proposed budget will allow us to continue our role, both as a major funder and as an advocate for the arts.

Question. You indicate that opera and musical theater fields continue to develop and consolidate. I read recently that many theater, opera, and dance companies are having severe financial problems. Is this a trend throughout the country, and if so, why? Is there a role the Federal goverment can play in helping to alleviate these problems?

Answer. There are some theater, opera, and dance companies and orchestras that are having financial problems; there are others who say they are having to sacrifice artistic innovation and standards to maintain financial positions; and there are others whose financial stability may be at the expense of their artists having limited employment, low compensation, and no health or retirement plans. However, inadequate funding in the arts has always been a problem, and there are many performing arts companies that are both financially stable and producing artistically exciting work. There are always some companies in financial difficulty and we do not see any indication that the situation is worsening. To the contrary, a strong economy and the virtual elimination of inflation since 1982 have benefitted these groups greatly. Information from the field suggests that these institutions are stronger now than they were five or six years ago. Private support for the arts has increased 62 percent since 1980 to $5.09 billion in 1985, and state arts agency support has roughly doubled, now contributing $216 million a year, 23 percent more than the Endowment's budget.

Since the Federal government typically provides only 2-4 percent of most of these organizations' budgets, its role is a small although important one. It can help stimulate a national climate hospitable to supporting the arts; it can strengthen the focus on artistic quality and on artist issues; and it can stimulate local fund-raising efforts.

Question. You indicate that support from local governments for the arts is strong and increasing. To what extent is this a result of your activities vs other forces?

Answer. We believe that the growth in local government support for the arts is primarily the result of general economic, social and political trends which have encouraged broader overall responsibilities for local government. At the same time, however, we do believe that

the Endowment has played an important role in encouraging many local governments to establish arts support for the first time or to increase the level of support already in place. Program reports during the test period (1984-87) indicate that local governments increased their arts support to our grantees by an average of 85 percent during the first year. This is over five times the rate of previous annual increases, which averaged 16 per cent during the previous five year period.

The independent evaluation of the Test Program concluded that the matching grant strategy of the Locals Test Program has levered new and substantially increased appropriations from state and local government sources. In fact, $8 million in one-time Federal funds have generated $56 million, of which $41.2 million is new state and local appropriations, most at which will likely continue beyond the grant period. The leverage is thus extraordinary.

Question. What are your personal views on impact of the Tax Reform Act on private contribution funding for the arts?

Answer. While Tax Reform Act of 1986 has introduced some uncertainty into the outlook for private contributions to the arts and it will be difficult to assess its full impact until after it is fully implemented. I believe its impact will be minimal if anything.

Independent Sector has been concerned that lowering marginal tax rates and eliminating deductions by non-itemizers increasing the "cost" of contributions would substantially reduce contributions (to all philanthropy) in 1988 -- by 8 percent or $ 6.4 billion. I think it is very unclear that this would be the result, particularly for arts giving. Marginal rates have been coming down since World War II and giving, particularly arts giving, has been going up, substantially, along with the economy. It should be noted that the 1981 reductions of rates on investment income did not adversely affect charitable contributions. With regard to non-itemizers, there is no evidence that their gifts increased as a result of the 1982 law providing for them. We, therefore, do not expect the rate reductions or the elimination of deductions by non-itemizers to have a significant effect on charitable giving to the arts. The principal determinant will, we believe, continue to be income; and, if the economy remains strong, that should increase.

On the other hand, the addition to the alternative minimum tax base of the amount of appreciation attributable to a

gift of a work of art or securities could have a negative impact on gifts of appreciated property. This could affect museum acquisitions since, according to many museum sources, 70 percent of the value of works of art accessioned by museums is donated by individuals. It could also affect lead gifts in endowment campaigns. The ultimate impact of these provisions depends on who under the Tax Reform Act will be subject to minimum tax. Long-term capital gains treatment will no longer be a preference item but certain passive losses will be. It is too early to tell what the aggregate impact of these various changes ultimately will be, and, although the impact will clearly be negative with respect to some specific gifts, the overall impact on philanthropy is estimated to be less than one percent in 1988.

Question. You describe in your request positive findings of specific evaluations of your "Test Program of Support for the Local Arts Agencies" and "Advancement". Were these evaluations also critical of past performance, and if so, what steps have been taken to rectify these problems?

Answer. In the evaluation of the Locals Test Program, it was observed that a number of grantees of the Test Program of support for Local Arts Agencies exhibited deficiencies in planning and general administration which did not appear to be eliminated by participation in the Test Program. This was of particular concern since the awarding of a grant often resulted in significant change in the scale and scope of the organization's operations.

In response to this finding, the Endowment has introduced a Local Arts Agency Development category in the FY 88 Program guidelines which offers assistance for local arts agency leadership education and services and for specific efforts to upgrade planning and administrative capabilities.

The Advancement evaluation noted that grant award levels were determined at the outset of the process before the participating organization had developed a long-range artistic and management plan and received technical assistance. In the revised Advancement Program, proposals for implementing specific strategic initiatives will now be reviewed in light of the planning and capacity of the applicant <u>after</u> the technical assistance period.

Question. In November, 1986 the National Endowment for the Arts recommended guidelines for a new Challenge III program. Describe these new guidelines and how implementation will improve predecessor efforts, especially in light of the proposed reduction in funding.

Answer. Challenge III will support exemplary projects with the potential for long-term impact in four areas:

-Artistry -- assisting nationally important artistic efforts of the highest quality in one or more of the art forms;

-Access -- assisting improved and broader access to the arts of quality;

-Appreciation -- assisting deeper and broader education in and appreciation of the arts of the highest quality;

-Non-Federal support -- assisting non-Federal public and private support systems (e.g., subgranting, technical assistance) for the arts to address any or a combination of the objectives in the first three areas.

The Challenge III program should be regarded as a change in the focus of the existing program rather than an improvement. The Endowment began to rethink the direction of Challenge when it became clear that the pool of competitive applicants for the capital purposes of Challenge II would be substantially served within a few subsequent grant rounds. The project orientation of Challenge III will permit support for important initiatives and allow considerable flexibility for structuring partnerships to combine the creative and capital resources of a wide range of organizations and funders.

In this transitional year, the division of Challenge funds between the two programs is not predetermined. Because the first Challenge III grants will not be awarded until October 1988, there is latitude to fund these awards with FY'88 and FY'89 appropriations if current applications to Challenge II require a high proportion of available FY'87 and FY'88 funds.

Question. Regarding the "Arts in Education" program, FY'88 marks the first year that grants will be awarded to states which have evolved an effective planning process. What is an effective planning process?

Answer. The new guidelines for the Arts in Education Program are very explicit on what is required for an effective planning process. The State Arts Agency (SAA) must make a careful assessment of the needs and opportunities in making long-term progress in establishing the arts as a basic and sequential subject in elementary and secondary schools. The panel reviewing applications will need to see evidence of the sequence and content of

planning activities and who participated in that planning process (i.e., a broad range of the parties needed to provide evidence of the prospect of making the arts a basic, at least in some schools). In other words, an effective planning process is one that provides for potential progress in the real world of schools and teachers and students.

Question. Your "Advancement Program" assists emerging arts organizations of the highest quality to improve levels of financial and administrative stability. How do you define "of the highest quality" and how are management consultants paid who are selected to provide this service?

Answer. Peer panels in each artistic discipline review Advancement applications on the basis of the "artistic excellence of the activities and programs on a national or regional basis." While Advancement focuses on developing organizations, competitive applicants have generally gained national or regional recognition through their artistic achievements. While the scale of production may be restricted by available resources, high standards of artistry must be evident to panelists.

Advancement consultants are paid as subcontractors to a managing consultant who is engaged by the Endowment through a competitive selection process. However, each consultant works essentially for the client organization and is held accountable for carrying out a plan for technical assistance mutually established with that group.

Question. Congress, in the 1985 reauthorization process, called for a report on the state of the arts, based on a practical system of data collection. The law also called for a study of needs and resources in arts education. In addition to Congressional demands, you have indicated an ongoing need for analyses addressing specific policy, evaluation, or research issues. Describe how the Endowment's research budget has supported this work in the past year and will support it in 1987 and 1988.

Answer. During FY 86 the Endowment's research budget supported a series of monographs which will assist the development of our biennial report on the state of the arts. Some of the monographs are based on our 1982 and 1985 surveys of public participation in the arts; findings from these analyses will help us understand audience trends as required in the Congressional mandate. Others of these monographs will help us understand the artist population, based on the U.S. 1980 census. This information too will assist us with the required report. Furthermore, our FY 86 work with the Brookings Institution and the Bureau of the

Census will help us understand some of the financial trends of arts organizations in connection with the required report.

With respect to arts education, we have commissioned two firms to organize a critical bibliography of arts education documents filed in the Education Research Information Center. This will assist us to understand the existing literature on the state of arts education and contribute to the study required by Congress. We also contracted with the Washington Consulting Group for consulting services in connection with our collaborative efforts with the Department of Education toward the study.

In FY 87 we propose to let a cooperative agreement with an organization for the purpose of pulling together existing information in anticipation of our need to submit this first State of the Arts Report in October 1988. Meanwhile, our Research staff, in conjunction with our Program offices is working on a draft design for future data collection efforts. Based on this design, and on feedback we receive from the various fields, we would begin in FY 88 to implement the resulting data collection design; the Endowment's research budget in FY 88 will be targeted to implementing this design.

With respect to data on arts education, our December 1987 report will set the priorities for future research in this area. We expect that some of our FY 87 research funds will be dedicated to completing the arts education report required in December 1987.

Question. You are requesting $401,000 for IPA's. How do you plan to use these IPA's and how have you used them in the past?

Answer. The Arts Endowment uses IPA employees to achieve a number of different objectives. Primarily, our IPA program provides work and development opportunities for artists and arts administrators from arts organizations, academic institutions and state and local government arts agencies. The purpose is to provide the Endowment with specific expertise and to strengthen the management capabilities of the cooperating organization.

For example, we currently have one IPA agreement with a city government. This agreement provies an opportunity for the participant to gain broad experience in program development and arts management. Other individuals who work under this program gain a better understanding of how different arts organizations operate by gaining experience working with those organizations through Endowment programs. In addition, they gain a national perspective by viewing the processes used by the Arts Endowment.

NATIONAL ENDOWMENT FOR THE HUMANITIES

STATEMENT OF LYNNE V. CHENEY, CHAIRPERSON

ACCOMPANIED BY:

JOHN AGRESTO, DEPUTY CHAIRMAN

STEPHEN CHERRINGTON, DIRECTOR, OFFICE OF PLANNING AND BUDGET

PREPARED STATEMENT

Senator DECONCINI. We are now going to turn to the National Endowment for the Humanities, the next subject. Dr. Lynne V. Cheney will be with us.

For the record, the fiscal year 1988 budget request for the National Endowment for the Humanities is $126,890,000, a reduction of $11,600,000 below the fiscal year 1987 appropriation level to date.

Mrs. Cheney, we welcome you before the subcommittee. Your complete opening statement will be included in the record at this point. If you would like to introduce your associates and proceed to summarize it, please do so.

[The statement follows:]

STATEMENT OF LYNNE V. CHENEY

I am pleased to have this opportunity to appear before you to testify on the budget request for the National Endowment for the Humanities for fiscal year 1988. I look forward to discussing my plans for the Endowment, and I am interested in hearing your thoughts on NEH and the humanities.

We are requesting a budget of $126.890 million for fiscal year 1988. Included in this request is $84.489 million in definite program funds to support projects and programs and $27.051 million in indefinite funds to help us stimulate private giving to individual humanities scholars and institutions. This budget will enable us to continue to operate effective and vigorous programs to advance humanities education, scholarly research, and public programming throughout the United States.

Since coming to the Endowment in May 1986, I have looked long and hard at our programming and the results of what we do. I have been most impressed. Because of the Endowment, citizens in rural areas, where there are few cultural institutions, have programs that allow them to learn more about this Nation's history. Because of the Endowment, high school teachers have the chance to renew themselves intellectually in summer seminars. Because of the Endowment, superb scholarly works on the Constitution are adding meaning and depth to the celebration of the bicentennial of that document.

NEH is a constructive presence in the intellectual life of the Nation. It is respected by the humanities community and the general public alike—as it should be. The staff is knowledgeable, dedicated, and professional; and the members of the National Council on the Humanities give freely of their valuable time to advise on the quality of grant applications and the wisdom of our policies. I have also been heartened by the exemplary civic-mindedness of the private citizens who serve the Endowment as panel-

ists and specialist reviewers in our review system. They consistently render fair, objective, and thorough judgments of their peers' grant applications.

I have spoken at length in our budget submission about the importance of Americans having a consciousness of their heritage. We are not always as aware of our past as we should be. I believe the Endowment can play an important role in helping overcome this cultural and historical amnesia. I would like to describe briefly for you some of our current activities and some of our plans for fiscal year 1988 that are helping to confront this problem.

In the area of education, the Endowment is now in the midst of conducting a study, mandated by the reauthorization amendments of 1985, on the condition of humanities education in the Nation's public elementary and secondary schools. What is the condition of the teaching of history and literature and foreign languages in our Nation's schools? How good a job are we doing at transmitting our culture to upcoming generations? What can NEH do to help this important work be done better? To help answer these questions, I have put together an advisory group of educators, administrators, and scholars from around the Nation to meet with me to review teaching and learning in the humanities in precollegiate institutions. The first meeting, held at the Endowment in early March, provided a wide-ranging discussion of issues that we will explore in more depth throughout the spring and summer months.

In the area of general audience programming, we have developed several program emphases for fiscal year 1987 and fiscal year 1988 to increase the public's understanding and knowledge of the Nation's heritage. I am especially proud of the success of the special bicentennial bookshelf grants awarded in fiscal year 1987 by our Humanities Projects in Libraries Program. Libraries in every State of the Union, plus the District of Columbia, Puerto Rico, and the Virgin Islands, received matching grants of $500 to purchase reference works and other books on the Constitution. These grants will have immediate as well as lasting effects—citizens in the communities served by the 846 libraries receiving awards will be able to consult these volumes for many years to come, well after the current celebration of the bicentennial of the Constitution has ended.

The Endowment's Humanities Projects in Media Program also is a major focus of our plans in fiscal year 1987 and fiscal year 1988. In addition to NEH's ongoing interest in film adaptations of masterworks in the humanities, we are encouraging film makers to produce documentaries that examine important historical events and issues. We will be particularly receptive in fiscal year 1988 to applications to produce film biographies of men and women who have shaped and changed our country. Although films sometimes can be relatively expensive to produce, they are an excellent medium for reaching vast audiences with high quality programs on themes in the humanities. When they are done well, they not only provide information and knowledge, but also spark a desire for further research and study.

In the past year, the Endowment has funded many scholarly research projects that show great promise of deepening our understanding of important people, events, ideas, and issues in the humanities. Such basic research is essential if we are to build a durable foundation of knowledge in the humanities. Another way we plan to continue to assist scholarly research in fiscal year 1988 is through our Foundations of American Society initiative, which will provide support for institutions and individuals—primarily in the Fellowships and Seminars Division—to conduct research in and discussions about the history and principles of the founding of our Nation. Foundations of American Society will complement our ongoing activities to promote the observance of the bicentennial of the U.S. Constitution.

The Endowment will also continue to assist humanities researchers by funding the creation of dictionaries, encyclopedias, atlases, and other research tools that scholars need for their work. In fiscal year 1988 NEH will again provide important national leadership in the fight to save the intellectual content of books that are deteriorating in the Nation's libraries and archives. As part of our preservation activites, we will continue to support the nationwide effort to identify and catalog all newspapers published in the United States since 1690. The most historically significant of these newspapers will be microfilmed so that they can be used by current and future historians.

The primary responsibility for advancing the humanities, however, continues to lie with the States, private and public foundations, businesses, and educational and cultural institutions. The Federal Government's support must remain only a small part of total funding for the humanities from all sources. NEH will use its national stature to articulate goals and objectives we think humanities scholars, organizations, and institutions should strive to achieve. We will provide support for projects and programs that illustrate this vision and that can serve as models for others to emulate.

I would be happy now to respond to any questions you may have.

INTRODUCTION OF ASSOCIATES

Mrs. CHENEY. To my left is John Agresto, Deputy Chairman of the National Endowment for the Humanities. To my right is Steve Cherrington, who directs the Office of Planning and Budget.

Senator DECONCINI. Thank you.

OPENING REMARKS BY LYNNE CHENEY

Mrs. CHENEY. It is a pleasure to be here today.

As you noted, our budget request for fiscal year 1988 is $126.89 million. We believe this budget will enable us to continue to operate an effective and vigorous program to advance the humanities in education, scholarly research, and public programs throughout the Nation.

I have looked at all aspects of the Endowment, some with more care than others, since coming to NEH in May 1986, and I have been very impressed with what I have found.

Because of the Endowment, citizens in rural areas, where there are few cultural institutions, have programs that allow them to learn more about this Nation's history.

Because of the Endowment, high school teachers have a chance to renew themselves intellectually in summer seminars.

Because of the Endowment, superb scholarly works on the Constitution are adding meaning and depth to the celebration of the bicentennial of the Constitution.

I spoke at length in our budget submission about the importance of our country's having a consciousness of its past. Many of our current activities and our plans for fiscal year 1988 are aimed at increasing awareness of history and heritage, and they are aimed at doing so in a way that will bring an awareness of our Nation's past to all parts of the country.

One of our efforts in the current year that will continue in the year ahead is to study the state of humanities education in elementary and secondary schools. This is, of course, a matter of nationwide concern, and we have drawn together a group of scholars, teachers, administrators, and educators from across the Nation to discuss what is happening in the teaching of history, literature, and foreign languages in our elementary and secondary schools.

Being from a small State myself, I have been constantly concerned that the Endowment truly be a national endowment for the humanities. As a scholar, I have had the benefit of studying and doing research at some of this Nation's great cultural centers—the Library of Congress,

for example—but I am also fully aware of the importance of having the Endowment spread the awareness of its programs and to draw from an applicant base that is indeed nationwide.

One of the programs that has been instituted in the Endowment since I have been there that I think serves this purpose very well, is a program that we call the bicentennial bookshelf.

This is a program aimed at public libraries across the Nation. It is a matching program whereby a library that raises $500 from non-Federal funds is given a matching grant of $500 to put together a reference collection of books that bear on the Constitution and on the founding period.

This program has been an enormous success. Libraries across the Nation, 845 of them, will now have reference collections of superb scholarship, fine research works on the Constitution so that Americans in every part of the country for years to come will have these resources available to them.

Senator Reid, it will probably please you to know that in Nevada, for example, there will be bicentennial bookshelves at the Elko County Library, at the White Pine County Library, at the Las Vegas-Clark County Library, at the Douglas County Library, at the North Las Vegas Public Library, the Washoe County Library, and the Humboldt County Library in Winnemucca.

And, Senator DeConcini, in Arizona there will be bicentennial bookshelf programs at the Apache Junction Public Library, the Avondale Public Library, the Prescott Public Library, at the Prescott Valley Public Library, and at the Tolson Public Library.

Senator DECONCINI. That is a pretty good start. [Laughter.]

ADDITIONAL REMARKS

Mrs. CHENEY. In addition, we have been working with the State Federation of Humanities Councils to put together a book explaining how to conduct public programs that will bring citizens into the libraries so that they will have access to these books and they will use them. They will come in contact with the words of the founders as we celebrate the bicentennial of our Constitution.

Another nationwide effort that we have undertaken involves preservation of newspapers. As a writer of history myself, I am well aware that the details that give lifeblood to history often come from newspapers. If one wants to find out how Arizona pioneers celebrated the Fourth of July, for example, or if one wants to know how in Nevada the various immigrant populations became a part of the mainstream, one looks in newspapers.

Our newspapers are deteriorating across the Nation because they have been printed on acid-based paper. They are literally disintegrating. At the Endowment we have instituted a nationwide newspaper project. Twenty-five States are now part of that project, and we are working very hard to bring others in. The project involves cataloging what newspapers existed in those States and making sure that those newspapers are preserved on microfilm.

As another part of our concern to make sure that the Endowment's programs are available to citizens throughout the Nation, we this year issued a directive to staff that travel be focused on areas from which the Endowment had not been receiving as many applications as we thought perhaps we should.

The particular areas we have asked the staff to travel to to explain our programs, to encourage applications are the South, the Midwest, Great Plains, the Mountain West, and the Southwest.

In addition, in 1986, the Endowment hired a full-time access to excellence coordinator. This is a staff person whose job it is to spend his entire time—as much as he can bear to without collapsing—traveling across the Nation explaining our programs to people in areas who may be unaware of them. He provides technical assistance to people who wish to apply. He seeks out groups of people like rural educators who may perhaps need to know more about our programs.

It is very important to me that we be known as a National Endowment for the Humanities with an emphasis on "National," and I share your concerns in this area.

With that, I'll be glad to answer your questions.

PRESERVATION OF U.S. NEWSPAPERS

Senator DECONCINI. Thank you, Dr. Cheney.

You mentioned an effort to preserve newspapers. In that effort, have you made contact with existing newspapers? University libraries?

I'll be happy to see what they have already established in Arizona. Maybe they've done it with a grant, too. Do you have some idea of zeroing in where there is little or no preservation of the newspapers, except the old newspapers hanging in the back closets.

Or does a State just take the grant as it comes?

Mrs. CHENEY. The grants usually come in a two-stage process. The first stage is a planning grant. That's for whomever applies, and it will often be a university library. That's for the applicant to sit down and survey the situation and look around the State to see where the centers of newspaper collection have been, to see what the state of preservation of newspapers is.

Once the planning is done—once there's an awareness of what the total situation is—that entity will apply to the Endowment for a grant to implement the preservation of newspapers.

Senator DECONCINI. So, a university that might be able to do it themselves would still qualify for a grant to help do it. I'm not trying to cut out my universities. They may shoot me tomorrow for suggesting this.

But some of them, I think, may have programs that do that anyway. And it might be better to consider that, and use the money for libraries in communities that are far more strapped cashwise than some of our universities.

Mrs. CHENEY. It's been remarkable to me though the lack of awareness there is about the problem of newspapers. I myself have used old newspapers, come home with pieces of them on my clothes and resin on my hands, without realizing that the newspapers are falling apart.

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In many cases, preservation has not been undertaken. These newspapers have to be microfilmed because they are literally falling apart.

GEOGRAPHICAL DISTRIBUTION OF NEH AWARDS

Senator DECONCINI. At last year's hearing, there was considerable discussion about the committee's concern that applicants from the large States appeared to be receiving a disproportionately large share of the grants and funding from the Endowment, while applicants from the smaller States, who might be less experienced in the art of preparing applications, get overlooked.

You've discussed that a little bit in your own opening statement. The Endowment was admonished to look into the matter and perhaps even take some, quote, "affirmative action," as Senator McClure characterized it, to correct what seemed like an inordinate concentration in a few geographic areas.

The appearance of inequitable distribution of awards by States, I think, could erode support from this committee. And I wonder what you have done over the past year or two to correct this.

You've identified some programs that you have funded, which certainly is an indication that you're moving in that direction.

What have you done to identify and try to quantify where awards are going?

Mrs. CHENEY. As I say, we have looked at our grants by State and identified certain regions which we felt were underrepresented and have asked staff members to conduct projects, to conduct awareness programs in those areas.

Senator DECONCINI. For a first-time applicant, so to speak?

Mrs. CHENEY. They would be first-time applicants, since these are areas in which there traditionally has not been a great number of applications.

I think perhaps our most significant effort in this area though has been the Endowment's access to excellence coordinator. He goes into States in these areas and does a marvelous job of coming into contact with different groups that might be interested in our program—that have not been so in the past—and helping them apply.

In April, for example, he will travel to Arizona to speak to such groups as the Arizona Inter-Tribal Council, the State Indian Education Department, the superintendant of Arizona schools, the Hopi school administrators and teachers and administrators at two Navajo schools.

So we are making a real effort to reach out not only to areas that we think have been underrepresented in the past, but to groups.

Senator DECONCINI. Can you give us a brief rundown on what you're doing in West Virginia?

Mrs. CHENEY. In West Virginia? Oh, that was a sad thing. Our access to excellence coordinator has scheduled a trip to West Virginia, and the schools went on strike the day he was scheduled to be there. So he has rescheduled.

Senator DECONCINI. He's planning to go. And when is that? Do you know?

Mrs. CHENEY. I'm sorry. I don't have that information.

Senator DECONCINI. Would you supply that for the record? I know one Senator who would be very interested in that.

[The information follows:]

ACCESS TO EXCELLENCE ACTIVITIES IN WEST VIRGINIA

The access to excellence cordinator's trip to West Virginia, originally scheduled for March 6–7, is now being rescheduled. The coordinator is waiting to hear from the executive director of the West Virginia Humanities Council, who is helping the coordinator develop an itinerary for his trip. In the interim, the coordinator is continuing to make contact with numerous groups and organizations in the State, including the State's rural education coordinator, national diffusion network facilitator, chief State school officer, chapter 1 coordinator, and head of the State branch of the National Education Association.

APPLICATION FROM OXFORD UNIVERSITY PRESS

Senator DECONCINI. We have a letter from a former colleague, Senator Eugene McCarthy, to the subcommittee, expressing a concern about a particular grant application from the Oxford University Press.

Without objection, I'll put that in the record.

[The information follows:]

LETTER FROM EUGENE J. MCCARTHY

MARCH 18, 1987.

The Honorable ROBERT C. BYRD,
U.S. Senate, Appropriations Subcommittee on the Interior and Related Agencies, Washington, DC 20510

DEAR SENATOR BYRD: I have been informed by Harcourt Brace Jovanovich, publishers that the Oxford University Press, British publishers of the "Oxford English Dictionary" and other publications, is proposing to establish a Center for North American English in Washington, DC, and has asked the National Endowment for the Humanities for formal sponsorship. I have for a number of years been directly and indirectly involved in publication, and particularly in the publication of dictionaries. I was the author of the "Dictionary of American Politics" for McGraw-Hill some 15 years ago and have for a number of years been on the usage panel of the "American Heritage Dictionary," which is published by Houghton-Mifflin.

There is no lack of concern or attention by students and scholars to the English language and the way it is used by Americans in America. The vitality of our language is captured through the continuous study and revision of dictionaries and of other works related to our language. Consequently, as I judge it, there is no need for any organization, particularly an English company, the Oxford University Press, to be established in a preferred position with what would appear to be National Endowment for the Humanities approval for passing judgment on the English language as it is used in the United States of America.

The proposed center, in my opinion, has within it a potential for developing into a kind of language academy similar to the French Academie which in recent years has attempted to define words as official French words; this effort to maintain purity has been accompanied by proposals of the French Government to impose fines against companies and others for using foreign words. They wish to outlaw use of the word hamburger.

Additionally, I am concerned about some of the commercial aspects of such approval. I am not familiar with all of the operations supported by the National Endow-

ment for the Humanities, in any case, where commercial exploitation is possible, Congress traditionally and by law has very special concern for the operation of the National Endowment for the Humanities. I urge you to oppose this proposal by the Oxford Press.

Sincerely,

EUGENE J. MCCARTHY.

APPLICATION FROM OXFORD UNIVERSITY PRESS

Senator DECONCINI. Would you briefly bring the committee up to date on this matter?

Mrs. CHENEY. This is an application by the Oxford University Press to establish a Center for American English at the Library of Congress. This is undergoing review in the Endowment's peer review system.

A final judgment on it will be made in the May meeting of the National Council on the Humanities. The proposal is eligible for support. Whether it is competitive remains to be seen. We need to see the judgment of our peer review panels.

It has generally been true in the past that proposals that effect a distinct commercial advantage for one entity or another have not been recommended.

Senator DECONCINI. Thank you.

ALLOCATION FOR THE DIVISION OF STATE PROGRAMS

Since taking office, Dr. Cheney, you've spoken very highly of the importance and value of State programs. By now, there are 53 such programs, each responsible for reaching a vast number of persons in that State with Humanities programs.

In many States, for example, my State, which is one of the most rapidly growing States in the country, our State Humanities Council, is maturing and expanding its impacts after years of building a base of program support and experience. This is also true of some of the smaller States.

Yet, its budget for next year would be, under the administration's request, considerably below what it was in 1980 in actual dollars.

How do you justify a proposed appropriation for the Division of State Programs, which has primary responsibility for 53 States, at an amount roughly equal to that of other divisions?

Mrs. CHENEY. The request for State programs is down somewhat more than 10 percent from the appropriation for last year. This is part of the Endowment's belief that we must be fiscally responsible.

In a perfect world, we would be funding State programs on an equal or greater level than they were last year. It is not a perfect world. There's a great national deficit, and we feel that the States, too——

Senator DECONCINI. I appreciate your concern about the deficit. Would it make sense to move support for all public programs but the largest and most expensive and national in scope to the States where authority now rests for such programming and where the character and need for States are best understood?

Mrs. CHENEY. The States do a very fine job of conducting programs at the grassroots level. Many of our programs, though, have national impact. The Division of State Programs, you should know, in the fiscal year 1988 budget is second only in funding to the Division of General Programs. There is also an attempt to reach every part of this Nation through such efforts as the creation of television programs, the creation of radio programs on the bicentennial.

The efforts that we undertake that do have national scope, I would say, are an important part of the Endowment.

Senator DECONCINI. Maybe the better question is how was the State's program singled out? Maybe it wasn't singled out. How was it chosen to get a 10-percent cut over, say, the public programs or the national programs, or some other area?

Mrs. CHENEY. The cut across the Endowment has been distributed fairly evenly. I have not tried to focus on State programs, not at all. I've been a great advocate of State programs.

I should note that the request I made for State programs this year is higher than any request that has been made for State programs in recent years.

Senator DECONCINI. It's up.

Mrs. CHENEY. It's up from past requests. I should also note——

Senator DECONCINI. What is the 10 percent down from? Last year?

Mrs. CHENEY. From current appropriations. I should also note that there is a mandated percentage of our budget that goes to State programs, which is 20 percent.

My request for State programs is at 21.15 percent, and many of the State program people I've talked to across the country understand the significance of this.

Senator DECONCINI. Is it fair to assume, Dr. Cheney, that if we appropriated the same amount in 1988 that you received in 1987, that the State programs would get its 10 percent back?

Mrs. CHENEY. Certainly, sir, if you appropriate it there, it would.

Senator DECONCINI. If you put in the same figure as in 1987.

Mrs. CHENEY. One thing you should be aware of as you look at our budget is that the State programs are very good at raising third-party support, or raising outside support for humanities projects. So, frequently, they receive a generous portion of our Treasury funds.

These are funds that we have some flexibility with. In the current year, more than 30 percent of our Treasury funds have gone to State programs.

And we will have Treasury funds next year.

Senator DECONCINI. Last, in relation to your requested reduction of $11.6 million for 1988, do you have some ongoing projects, and will this reduction affect any of those ongoing projects?

Mrs. CHENEY. No.

Senator DECONCINI. I will submit the rest of my questions. I want to compliment you, Dr. Cheney, for the fine job that you're doing there, and also the coordination and effort you're putting in with the Bicen-

tennial Commission and your own efforts with the National Endowment.

The Senator from Nevada.

STUDY OF HUMANITIES EDUCATION IN ELEMENTARY AND SECONDARY SCHOOLS

Senator REID. Mr. Chairman, I have just one area of questions.

In your written statement, you have a paragraph that talks about education and the Endowment has conducted a study mandated by Congress in 1985. You indicated that you're going to look into a number of things; basically; the condition of Humanities education in the Nation's public, elementary, and secondary schools.

You've indicated in your statement that you've had one meeting just this month. Is that the way I understood it?

Mrs. CHENEY. That's correct.

Senator REID. Tell me what you're going to do to come up with some findings here?

Mrs. CHENEY. There are a number of things. First of all, the Endowment a few years ago financed a study that's going to be very interesting. The study is being conducted by the National Assessment of Educational Progress. Its purpose is to find out what 17-year-olds know—what do 17-year-olds know about history and literature.

The results of that survey will inform our assessment of humanities education in the elementary and secondary schools.

In addition, we're working together with the Arts Endowment and the Department of Education to put together other survey instruments that will give us factual data with which to work.

The purpose of the study group is, as I mentioned before, to bring together people from across the Nation—scholars as well as teachers and administrators—to talk about their perceptions of the needs that exist in the teaching of literature and history.

That study group will meet three times.

We're having a separate study group which will address the problem of the teaching of foreign languages in the elementary and secondary schools.

And I will also be meeting with the leaders of the humanities communities—the leaders of the various organizations and foundations that have been interested in the humanities—to understand their perceptions.

All of this will come together to produce the study that Congress has asked us to do.

Senator REID. Two followup questions.

When will the survey be done on what 17-year-olds know?

Mrs. CHENEY. The survey is out of the field. The raw data are in-house, and we are now waiting an analysis of it.

Senator REID. And this will be when? In 1 month? Six months? How long?

Mrs. CHENEY. September.

Senator REID. When do you contemplate pursuant to the reauthorization amendments of 1985, completing this work on the status of the humanities in elementary and secondary schools?

Mrs. CHENEY. The requirement is December 1987. We'll have it at least by then.

Senator REID. Great. Thank you, Mr. Chairman.

Senator DECONCINI. The Senator from Mississippi.

HUMANITIES PROJECTS AND PROGRAMMING IN MISSISSIPPI

Senator COCHRAN. Thank you, Mr. Chairman. Let me welcome Dr. Cheney to the committee. We appreciate the fine work you're doing in your position as head of the National Endowment for the Humanities. I congratulate you.

Mrs. CHENEY. Thank you, Senator.

Senator COCHRAN. Let me put in a plug for a few things that are going on in my State of Mississippi. There was a challenge grant, a few years, I think, awarded to the Center for the Study of Southern Culture, located at the University of Mississippi, that has really been a well-invested grant. I can testify about that from my own personal knowledge.

We now see that center hosting international meetings. The Faulkner Conference has attracted scholars from all over the world. A great deal of interest is being stimulated in southern literature and all things relating to southern culture under the direction and leadership of Bill Ferris, who is a personal friend of mine.

If you see any applications or invitations at the National Endowment from the Center for the Study of Southern Culture, I hope you'll take a very careful look at them, because those people—he and his staff are doing a wonderful job down there.

It's a great asset for the entire region to have that center located there.

Mr. Norman, who is chairman of the Mississippi Committee on the Humanities, does a super job as an advocate for the humanities and the study of the humanities.

And I want to thank you for the initiative of the bicentennial bookshelf. We have recipients of those matching grants in Mississippi who are ecstatic over the fact that they're getting to stock their libraries now, many for the first time, with references to the beginnings of our country, our heritage. And I think that's a wonderful program and I congratulate you for that.

I wish I had some questions to ask you. I really don't have any questions except to say again we appreciate the excellent job you're doing.

Mrs. CHENEY. Thank you, Senator.

Mississippi is a State of rich cultural heritage and we do receive many fine proposals from there. And we will certainly look at all the proposals.

Senator COCHRAN. Thank you very much.

Senator DECONCINI. I thought you were going to ask Dr. Cheney how much more she was going to grant to Mississippi before the committee.

ADDITIONAL COMMITTEE QUESTIONS

Thank you, Dr. Cheney, very much for your testimony. We will have some additional questions.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

FERS and the Pay Raise

Question: Your FY 1988 request indicates that $425,000 has been tentatively moved from program funds to the administrative account to cover the estimated cost of the FY 1987 pay raise and the new Federal Employees Retirement System. From which programs were these funds moved? What will be the impact of this shift? Do you anticipate any additional funds will be necessary in FY 1987?

Answer: We have provisionally moved the estimated additional funds needed in FY 1987 to pay for FERS and the pay raise from the Education Division to the administrative account. I must stress, however, that this adjustment is tentative, both as to the amount and the grantmaking program from which any transfer of funds will be made. We do not know, at this point, how many people will convert from the old Civil Service Retirement System (CSRS) to the more costly new FERS plan nor do we yet know the level of employee savings that we will be required to match under the FERS thrift options.

At the end of the fiscal year, after we have received and evaluated most of the applications for the year, we will be in a better position to determine from which program to make any necessary shift. In the meantime, we will make every attempt to absorb as much of the costs of FERS and the pay raise as possible within the current administrative allowance of $14.2 million.

No significant impact on our programming is anticipated. If any program funds are transferred, they will only be moved from areas where all deserving humanities projects have already been supported. We do not believe that more than $425,000 will be required in FY 1987 for FERS and the pay raise.

Education Programs

Question: The Education division is being reorganized in FY 1988. Taking this reorganization into account, how does the FY 1988 request differ from the FY 1986 and FY 1987 enacted levels?

Answer: A two part division structure with identical funding demonstrates our intention to place equal emphasis on humanities education at the elementary and secondary level and at the higher education level.

In FY 1988, the kinds of projects formerly supported under the Exemplary Projects and Nontraditional Learners program and the Central Disciplines in Undergraduate Education program will be supported under Humanities Instruction in Institutions of Higher Education. The Humanities Instruction in Elementary and Secondary Schools program will continue in its current configuration.

A comparison of the budget levels in FY 1986, FY 1987, and FY 1988 is shown below.

Education Division
($000)

	FY 1986 (final)	FY 1987 1/ (estimated)	FY 1988 (request)
Humanities Instruction in Elementary and Secondary Schools	$ 6,918	$ 7,620	$ 7,165
Humanities Instruction 2/ in Institutions of Higher Education	7,922	8,305	7,164
Total	$14,841	$15,925	$14,329

1/ In FY 1987, $425 thousand has been tentatively moved from the Education Division to the administrative account to cover the estimated costs of the FY 1987 pay raise and the new Federal Employees' Retirement System. As the year progresses and a more exact sense of real requirements is available, a reprogramming request will be submitted to Congress if necessary.

2/ Includes Exemplary Projects and Non-Traditional Learners program and Central Disciplines program.

Question: Teacher preparation is one of the most important aspects of our educational system. It is my understanding that your Education division is increasing its emphasis on programs to assure that new humanities instructors begin their careers more solidly grounded in the subjects central to the humanities curriculum. Can you cite some examples of this effort and expand on its emphasis in the FY 1988 budget?

Answer: Since FY 1984, the Division of Education Programs has had in place a special Teacher Preparation Initiative to encourage efforts to assure that new teachers begin their careers with a solid foundation in the subjects central to the humanities curriculum. As a consequence of the initiative, the Endowment has supported several projects that have indeed made a difference.

One is the model Five-Step Program developed by Kenyon College. This is a five-year program, involving close interaction with Ohio high schools, in which students focus primarily on a discipline of the humanities during their four undergraduate years at Kenyon and then proceed to a fifth year of teacher-training at Columbia University's Teacher's College.

Another is the five-year program at Trinity University in San Antonio, in which students concentrate on a humanities-based core during their first four years and then move into a one-year practicum during their fifth year at the university.

A third is the recently instituted fifth-year program at Harvard University, a program in which students with strong undergraduate backgrounds in the humanities will have an opportunity to synthesize their knowledge of a particular discipline, become acquainted with the problems involved in teaching at the elementary and secondary levels, and engage in a supervised introduction to teaching. Through a Teacher Support Network, graduates of the Harvard program will also have access to program staff and to their peers from the Graduate School of Education for a five-year period subsequent to their completion of the master's degree.

The Endowment will be putting even more emphasis on teacher-preparation efforts in FY 1988. In the wake of the recently issued reports of the Holmes Group and the Carnegie Forum, the Education division has observed a significant increase in the number of inquiries about its willingness to help establish new teacher-preparation programs. The Endowment has also received numerous inquiries about grant opportunities to enhance the humanities content of existing teacher-preparation programs. Meanwhile, in their presentations around the country, Education Programs staff have been stressing the Endowment's desire to assist projects that will encourage more of the best and brightest students to choose teaching as a profession.

General Programs

Question: The FY 1988 request for Humanities Projects in Museums and Historical Organizations is $6,715,000. This is a decrease from the FY 1987 enacted level of $8,780,000. Applications for grants in this area in FY 1987 totaled 400 with 85 of those applicants receiving awards. In FY 1988, you do not anticipate a decrease in applicants yet indicate that the number of awards will decrease to 65. If Congress agrees with this proposed decrease in funds, wouldn't it be better to keep the number of awards constant and decrease the amount of each award?

Answer: All application budgets are carefully reviewed by program staff and by the agency's Grants Office. When a budget can be reduced without affecting the project, cuts are made. Decreasing awards across-the-board would curtail many projects to the point that they could not go forward effectively. We prefer to give the best projects adequate funding -- even if this forces us to make some difficult choices among applications.

However, the funds requested for FY 1988 will be more than sufficient to support the highest-rated proposals in the Humanities Projects in Museums and Historical Organizations program. At $6,715,000, the FY 1988 allocation for this program would be $915,000 more than what we requested for FY 1987, and would be among the largest program allocations at the agency. When Treasury funds are taken into account, the program will be receiving an even larger share of Endowment resources.

In FY 1988 as in previous years, the use of Treasury matching funds in conjunction with definite funds will permit the Endowment to support more museums and historical organizations than it could with definite funds alone. In cases where it is feasible and appropriate to do so, outright awards will be reduced and supplemented with a component of matching funds -- which in turn will generate third-party gifts.

Question: How will the award criteria for applications change to allow for the decrease in awards?

Answer: We do not plan to change the award criteria in this program in FY 1988. The Endowment will continue to award grants to those applicants whose proposals are judged to be the most meritorious as a result of a lengthy and careful evaluation, which includes review by a peer panel.

Question: In the Humanities Projects in Libraries program, you are proposing a 35 percent decrease in FY 1988 ($2.9 million in FY 1987; $1.89 million in FY 1988). Since you anticipate a same amount of applications in FY 1988, this decrease will be accomplished by a lower number of grant awards (35 in FY 1987; 20 in FY 1988). This proposed FY 1988 decrease in funding and the number of awards, however, will still allow the average grant amount to increase by 11 percent ($84,000 per award in FY 1987 to $94,000 per award in FY 1988). Is there a particular need to increase the amount of grant awards in FY 1988?

Answer: The increase in grant size that we are projecting in the Humanities Projects in Libraries program reflects a change in emphasis. The Endowment is encouraging more collaborative projects and projects managed by state library associations or regional consortia in this program. Because such projects will serve larger audiences and involve more institutions, their costs may exceed the current average.

Question: How will the screening of applications change to allow for a decrease in awards?

Answer: Our review procedures will remain unchanged. The principal criteria for selecting among applications emphasize qualitative factors, not numerical ones. Grants will still be awarded to the best proposals.

State Programs

Question: You are proposing to reduce overall funding for State Programs by 15 percent in FY 1988 ($21,000,000 in FY 1987; $17,871,000 in FY 1988). Yet the request for administrative obligations for state programs is proposed to increase by 5 percent ($641,000 in FY 1987; $673,000 in FY 1988). Can you elaborate on the need for the increase in administration.

Answer: The requested increase in administrative funds for the Division of State Programs will cover the estimated additional costs to the Endowment of the federal payraise and the new Federal Employees' Retirement System. This request does not reflect an increase in State Program's staffing level.

Question: What will be the impact of reducing State grants in FY 1988 by 15 percent ($21 million in FY 1987; $17.871 in FY 1988)?

Answer: To begin with, while it is true that the allocation of definite funds for State Programs will be reduced in FY 1988, it still represents the second largest of the Endowment's program divisions; General Programs at $19.2 million is the largest. Consequently, the two NEH divisions that focus on public humanities programming, State and General Programs, would comprise 44 percent of the Endowment's definite funds. (This compares to 39 percent for scholarly research and 17 percent for educational projects in the Education Division.) The level of definite funds requested for State Programs for FY 1988 is also higher than that requested in recent years -- over $1.2 million higher than requested for FY 1987.

Each year, every state council whose program is judged by the Endowment's review system to be satisfactory receives a minimum amount, or base award, determined by a legislative funding formula. In FY 1987, the councils' base awards range from $202,000 to $519,000, and approximately 3,900 projects in the states will receive support. At the funding level that we are requesting for FY 1988, the state councils' base awards would range from $201,000 to $417,000, and we expect that they would be able to support approximately 3,200 projects -- 700 fewer than in FY 1987.

It is important to note, however, that in FY 1988 the funding ratio for applications received by the state councils will continue to be much higher than the average at NEH, in fact twice as high. NEH traditionally supports 1 out of every 4 applications received; at the FY 1988 level, the state councils will be able to fund 1 out of every 2 applications.

The councils receive other funds from NEH in addition to the base awards. In FY 1988, as in previous years, some of these funds will be distributed on the basis of merit, as determined by a special project competition for Exemplary Awards and by the review of the councils' biennial proposals. Other funds may be used to supplement the Treasury funds that will be available to the councils for matching third-party gifts. The balance will be used to support a variety of services to the councils, including orientation conferences for new council members, meetings of council chairs and executive directors, and the newsletter and national meeting of the National Federation of State Councils.

In FY 1988, at the level of our request, these additional funds would total $2.3 million, versus $3.3 million in FY 1987. With approximately $1 million less in these funds available in FY 1988, the Endowment will distribute less in Exemplary and merit awards, reduce the amount of definite funds available to supplement Treasury matching funds, and support conferences and meetings on a somewhat reduced scale.

Delinquent Student Loans

Question: At last year's hearing you indicated that the Endowment would not award grants or fellowship to applicants who are delinquent on Federal student loans. Since the policy had not been in place very long at that time, no applicants had been denied. During the course of the year, how many applicants were denied on this basis.

Answer: To date, we have turned down three applicants But, more significantly, many applicants have cleared up their loan delinquency status as a result of our policy. This was one of our aims: to draw attention to the problem and to provide an incentive for applicants to clear any outstanding federal debts prior to seeking additional federal grant monies.

Grants and Awards by State, FY 1982-FY 1986

Question: Please provide for the record, for each of the past 5 years, a list of grant awards by category and by State showing both the number of awards and the dollar amounts.

Answer:

Summary of Grants and Awards by State

Fiscal Year 1986[1/]

State	No. of Projects	Amount Obligated
Alabama	23	$923,428
Alaska	8	840,249
Arizona	25	1,463,728
Arkansas	5	530,192
California	189	10,249,599
Colorado	15	1,536,077
Connecticut	60	2,529,348
D.C.	83	5,357,594
Delaware	14	729,076
Florida	26	1,216,337
Georgia	36	1,364,187
Hawaii	8	463,200
Idaho	5	545,383
Illinois	133	6,710,426
Indiana	76	2,401,481
Iowa	24	915,842
Kansas	13	560,938
Kentucky	12	825,652
Louisiana	29	1,130,308
Maine	14	648,720
Maryland	64	3,422,875
Massachusetts	181	7,806,537
Michigan	38	1,871,116
Minnesota	53	3,343,504
Mississipp'	12	1,009,872
Missouri	30	823,080
Montana	8	406,982
Nebraska	11	807,301
Nevada	8	566,024

Summary of Grants and Awards by State

Fiscal Year 1986[1/] - (Cont'd)

New Hampshire	16	1,468,201
New Jersey	70	3,334,447
New Mexico	13	791,330
New York	335	21,052,850
North Carolina	64	2,113,184
North Dakota	4	584,231
Ohio	67	2,067,681
Oklahoma	16	1,162,824
Oregon	20	1,699,627
Pennsylvania	134	7,702,197
Rhode Island	29	1,376,549
South Carolina	24	1,044,847
South Dakota	4	470,059
Tennessee	24	1,215,469
Texas	61	2,325,613
Utah	12	607,680
Vermont	13	630,969
Virginia	77	3,353,545
Washington	27	1,306,526
West Virginia	8	799,845
Wisconsin	40	1,664,963
Wyoming	3	439,038
Puerto Rico	2	388,110
Virgin Islands	1	408,684
Other [2/]	15	214,284
Total Humanities	2,282	$119,221,809
National Capital Arts and Cultural Affairs (D.C.)	15	$1,903,000

1/ Includes definite, Treasury, Challenge funds obligated for new grants, supplemental awards on previous years' grants, and program contracts. Obligations include $24 thousand of recoveries from prior-year obligations and $27 thousand in transfers from other agencies; $117 thousand in adjustments to prior-year accounts are not included.

2/ Awards to American citizens residing overseas at time of award.

Note: Detail does not add to total due to rounding.

Summary of Grants and Awards by State

Fiscal Year 1985[1/]

State	No. of Projects	Amount Obligated
Alabama	20	$1,215,690
Alaska	6	755,332
Arizona	19	1,081,903
Arkansas	5	538,744
California	195	9,633,203
Colorado	19	898,791
Connecticut	59	2,313,268

State	No. of Projects	Amount Obligated
Delaware	15	933,843
District of Columbia	72	5,515,633
Florida	33	2,284,757
Georgia	36	1,649,943
Hawaii	13	566,413
Idaho	5	509,768
Illinois	120	5,541,271
Indiana	60	2,933,629
Iowa	26	924,996
Kansas	22	1,948,054
Kentucky	18	896,009
Louisiana	25	1,379,287
Maine	16	888,851
Maryland	59	3,640,787
Massachusetts	179	9,299,454
Michigan	45	2,963,023
Minnesota	39	2,135,741
Mississippi	23	851,174
Missouri	29	1,690,285
Montana	6	620,665
Nebraska	16	930,261
Nevada	5	356,150
New Hampshire	18	1,039,231
New Jersey	64	3,138,718
New Mexico	23	1,528,049
New York	311	22,415,930
North Carolina	66	3,407,962
North Dakota	2	578,500
Ohio	58	2,678,127
Oklahoma	13	1,050,454
Oregon	19	827,308
Pennsylvania	138	6,211,558
Rhode Island	22	1,363,240
South Carolina	33	1,369,498
South Dakota	6	763,190
Tennessee	22	1,085,987
Texas	82	3,772,279
Utah	6	534,660
Vermont	14	1,120,657
Virginia	58	2,597,722
Washington	37	1,655,056
West Virginia	7	677,103
Wisconsin	37	1,773,841
Wyoming	4	483,604
Puerto Rico	4	466,100
Virgin Islands	1	1,350
Other[2/]	11	234,490
GRAND TOTAL	2,241	$125,671,544

1/ Funds include definite, treasury, challenge, and carryover funds obligated in FY 1985 for new and supplemental awards; excludes gifts.

2/ Awards to American citizens residing overseas at time of award.

Note: Detail does not add to total due to rounding.

Summary of Grants and Awards by State

Fiscal Year 1984[1/]

State	No. of Projects	Amount Obligated
Alabama	19	$ 758,156
Alaska	5	701,141
Arizona	13	755,230
Arkansas	8	605,645
California	217	10,665,159
Colorado	23	1,304,578
Connecticut	75	2,927,508
Delaware	13	788,429
District of Columbia	85	6,731,237
Florida	38	1,612,983
Georgia	46	1,737,443
Hawaii	12	862,319
Idaho	7	641,649
Illinois	142	6,549,637
Indiana	56	2,679,350
Iowa	31	1,747,929
Kansas	18	875,476
Kentucky	28	1,200,331
Louisiana	26	866,072
Maine	19	1,061,661
Maryland	72	3,659,165
Massachusetts	175	8,203,577
Michigan	58	2,296,224
Minnesota	62	3,336,782
Mississippi	17	722,801
Missouri	33	1,060,911
Montana	8	473,610
Nebraska	23	936,980
Nevada	5	357,616
New Hampshire	20	929,947
New Jersey	85	3,611,966
New Mexico	20	1,228,161
New York	378	21,841,558
North Carolina	64	3,253,610
North Dakota	4	432,200
Ohio	62	2,098,087
Oklahoma	19	1,053,739
Oregon	27	1,231,025
Pennsylvania	137	7,536,070
Rhode Island	25	978,680
South Carolina	31	1,227,679
South Dakota	7	696,942
Tennessee	28	1,245,481
Texas	76	3,115,632
Utah	16	808,613
Vermont	18	998,859
Virginia	68	3,375,444
Washington	41	1,944,161
West Virginia	5	435,775
Wisconsin	42	1,892,727
Wyoming	4	514,139
Puerto Rico	3	503,332

State	No. of Projects	Amount Obligated
Territories	1	201,000
Other 2/	8	296,995
GRAND TOTAL	2,523	$127,571,423

1/ Funds include Definite, Treasury, Challenge, and carryover funds obligated in FY 1984 for new and supplemental awards; excludes gifts.

2/ Awards to American citizens residing overseas at time of award.

SUMMARY OF GRANTS AND AWARDS BY STATE 1/

FISCAL YEAR 1983

State	No. of Projects	Amount Obligated
Alabama	16	$ 739,562
Alaska	3	720,805
Arizona	15	1,278,336
Arkansas	8	660,721
California	149	10,757,285
Colorado	18	1,193,993
Connecticut	55	2,492,272
Delaware	10	412,710
District of Columbia	57	4,839,756
Florida	23	1,541,789
Georgia	26	1,330,525
Hawaii	9	529,523
Idaho	4	501,391
Illinois	95	5,096,783
Indiana	47	2,654,064
Iowa	20	1,188,137
Kansas	18	1,469,571
Kentucky	20	820,654
Louisiana	18	795,246
Maine	9	1,153,492
Maryland	56	2,951,765
Massachusetts	150	7,559,113
Michigan	46	2,400,820
Minnesota	42	2,092,780
Mississippi	14	930,559
Missouri	23	1,313,761
Montana	8	720,323
Nebraska	13	870,766
Nevada	6	493,777
New Hampshire	18	713,188
New Jersey	65	2,752,999
New Mexico	16	991,857
New York	264	16,287,589
North Carolina	45	2,535,744
North Dakota	1	415,095
Ohio	39	2,119,231
Oklahoma	16	1,148,303
Oregon	16	1,081,620
Pennsylvania	106	6,015,269

State	No. of Projects	Amount Obligated
Rhode Island	15	977,728
South Carolina	25	2,076,973
South Dakota	6	623,635
Tennessee	21	1,698,187
Texas	44	2,062,267
Utah	8	889,026
Vermont	18	749,646
Virginia	59	3,161,469
Washington	27	1,873,442
West Virginia	7	654,782
Wisconsin	34	2,645,331
Wyoming	6	482,721
Territories	6	558,558
*Other	9	112,453
Subtotal	1,849	112,137,393
National Organizations 2/	79	11,177,296
GRAND TOTAL	1,928	$123,314,689

1/ Includes Definite, Treasury, Challenge, and carryover funds obligated for new grants, supplemental awards on previous years' grants, program contracts, and transfers with other agencies.

2/ Any organization which by the distribution of its membership or constituent units has a national character. Also, any Federal entity.

*Awards to American citizens residing overseas at time of award.

SUMMARY OF GRANTS AND AWARDS BY STATE 1/

FISCAL YEAR 1982

State	Amount
Alabama	$ 667,465
Alaska	639,975
Arizona	744,148
Arkansas	456,070
California	7,199,726
Colorado	491,843
Connecticut	2,132,061
Delaware	335,812
District of Columbia	6,091,291
Florida	1,149,211
Georgia	1,965,719
Hawaii	569,447
Idaho	602,915
Illinois	4,471,587
Indiana	1,654,250
Iowa	1,007,581
Kansas	1,242,469
Kentucky	872,976

State	Amount
Louisiana	934,748
Maine	791,312
Maryland	2,391,491
Massachusetts	5,782,275
Michigan	1,787,383
Minnesota	1,266,347
Mississippi	648,452
Missouri	987,640
Montana	440,487
Nebraska	1,082,666
Nevada	347,274
New Hampshire	681,373
New Jersey	2,170,387
New Mexico	616,372
New York	13,597,985
North Carolina	1,820,031
North Dakota	679,956
Ohio	2,671,207
Oklahoma	627,613
Oregon	1,513,221
Pennsylvania	5,329,950
Rhode Island	863,049
South Carolina	1,489,284
South Dakota	505,591
Tennessee	799,261
Texas	2,260,649
Utah	313,571
Vermont	696,446
Virginia	1,836,462
Washington	1,611,440
West Virginia	593,391
Wisconsin	2,453,645
Wyoming	377,307
Territories	764,949
*Other	142,528
Subtotal	93,170,289
National Organizations and National/Regional Projects2/	22,648,036
GRAND TOTAL	$115,818,325

1/ Includes only Federally-appropriated funds obligated in Fiscal Year 1982 for new and supplemental awards; excludes gifts.

2/ Includes projects funded by Higher Education/ Regional and National projects, Fellowships at Centers for Advanced Study, Fellowships and Seminars for the Professions, and Summer Seminars for College Teachers.

* Awards to American citizens residing overseas at time of award.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Summary of Grants and Awards, FY 1986

Division/Program	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
EDUCATION PROGRAMS	151	$14,172,951	$667,600	$14,840,551
Humanities Instruction in Elementary and Secondary Schools	59	6,632,647	285,650	6,918,297
Exemplary Projects and Humanities Programs for Nontraditional Learners	42	4,011,158	115,000	4,126,158
Central Disciplines in Undergraduate Education	50	3,529,146	266,950	3,796,096
FELLOWSHIPS AND SEMINARS	1,038	14,370,281	--	14,370,281
NEH Fellowships				
Independent Study and Research	146	3,631,834	--	3,631,834
College Teachers	117	2,958,817	--	2,958,817
Summer Stipends	223	668,500	--	668,500
Travel to Collections	436	218,000	--	218,000

Summary of Grants and Awards, FY 1986 (cont'd)

	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
FELLOWSHIPS AND SEMINARS (cont'd)				
Summer Seminars				
College Teachers	60	3,721,615	--	3,721,615
Secondary School Teachers	56	3,171,515	--	3,171,515
GENERAL PROGRAMS	423	21,143,988	3,578,972	24,722,960
Humanities Projects in Media	58	9,011,099	758,905	9,770,005
Humanities Projects in Museums and Historical Organizations	110	6,600,243	2,283,088	8,883,331
Youth Projects	10	393,470	--	393,470
Younger Scholars	165	338,200	--	338,200
Public Humanities Projects	42	2,119,763	410,055	2,529,818
Humanities Projects in Libraries	38	2,681,212	126,923	2,808,135

Summary of Grants and Awards, FY 1986 (cont'd)

	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
RESEARCH PROGRAMS	431	14,545,576	6,405,236	20,950,811
Texts				
Editions	65	2,376,168	826,148	3,202,316
Translations	51	1,058,506	233,911	1,292,417
Publication Subvention	57	261,812	46,372	308,184
Reference Materials				
Tools	56	2,803,239	1,188,206	3,991,445
Access	48	2,363,338	611,783	2,975,121
Interpretive Research				
Projects	72	2,663,422	928,222	3,591,644
Humanities, Science and Technology	14	649,568	80,000	729,568
Regrants				
Conferences	40	404,823	135,808	540,631
Centers for Advanced Study	17	832,200	63,000	895,200
International	8	987,500	1,555,000	2,542,500
Regrants in Selected Areas	3	145,000	736,785	881,785

Summary of Grants and Awards, FY 1986 (cont'd)

	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
STATE PROGRAMS	79	20,034,954	4,072,045	24,106,999
OFFICE OF PRESERVATION	32	3,357,832	701,375	4,059,207
CHALLENGE GRANTS	128	--	16,171,000	16,171,000
Total Humanities	2,282	$87,625,581	$31,596,227	$119,221,809
National Capital Arts and Cultural Affairs	15	$1,903,000	--	$1,903,000

1/ Includes definite, Treasury, and Challenge funds obligated for new grants, supplemental awards on previous years' grants, and program contracts. Obligations include $24 thousand of recoveries from prior-year obligations and $27 thousand in transfers from other agencies; $117 thousand in adjustments to prior-year accounts are not included.

2/ Includes definite program funds used to match gifts.

Note: Detail may not add to totals due to rounding.

Summary of Grants and Awards, FY 1985

Division/Program	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
EDUCATION PROGRAMS	177	$16,901,320	$988,496	$17,889,816
Humanities Instruction in Elementary and Secondary Schools	62	7,310,205	657,173	7,967,378
Exemplary Projects and Humanities Programs for Nontraditional Learners	46	4,878,026	154,153	5,032,179
Central Disciplines in Undergraduate Education	69	4,713,089	177,170	4,890,259
FELLOWSHIPS AND SEMINARS	618	14,205,234	1,103,250	15,308,484
National Endowment for the Humanities Fellowships				
Fellowships for Independent Study and Research	136	3,361,933	--	3,361,933
Fellowships for College Teachers	109	2,655,243	--	2,655,243
Summer Stipends	219	657,000	--	657,000

Summary of Grants and Awards, FY 1985 (cont'd)

	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
FELLOWSHIPS AND SEMINARS (cont'd)				
Summer Seminars				
Summer Seminars for College Teachers	70	3,997,976	--	3,997,976
Summer Seminars for Secondary School Teachers	57	1,960,488	500,000	2,460,488
Undergraduate Fellows in the Humanities	10	697,594	--	697,594
Fellowships at Centers for Advanced Study	17	875,000	603,250	1,478,250
GENERAL PROGRAMS	333	20,825,113	3,265,347	24,090,461
Humanities Projects in Media	78	7,736,635	1,637,496	9,374,131
Humanities Projects in Museums and Historical Organizations	137	8,125,531	1,442,961	9,568,492
Humanities Projects for Youth	54	662,771	--	662,771
Humanities Projects for Adults	25	1,560,979	140,278	1,701,257
Humanities Projects in Libraries	39	2,739,197	44,613	2,783,810

Summary of Grants and Awards, FY 1985 (cont'd)

	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
RESEARCH PROGRAMS	874	16,856,647	7,513,136	24,369,782
Basic Research				
Project Research	80	3,240,720	641,811	3,882,531
Intercultural Research	8	900,000	1,726,245	2,626,245
Humanities, Science and Technology	13	729,785	--	729,785
Research Conferences	44	346,871	105,910	452,781
Travel to Collections	411	205,500	--	205,500
Reference Works				
Tools	58	2,638,278	1,444,881	4,083,159
Editions	66	2,707,135	1,036,746	3,743,881
Translations	54	1,100,000	225,730	1,325,730
Resources				
Access	74	4,662,429	2,024,432	6,686,861
Preservation	1	--	300,000	300,000
Publications	65	325,928	7,381	333,309

Summary of Grants and Awards, FY 1985 (cont'd)

	No. of Projects	Amount Obligated 1/		
		Outright	Matching 2/	Total
STATE PROGRAMS	73	19,560,045	4,852,956	24,413,000
CHALLENGE GRANTS	166	--	19,600,000	19,600,000
Grand Total	2,241	$88,348,359	$37,323,185	$125,671,544

1/ Includes definite, treasury, Challenge, and carryover funds obligated for new grants, supplemental awards on previous years' grants, program contracts, and transfers to and from other agencies.

2/ Includes definite program funds used to match gifts.

Note: Rows and columns may not add exactly to totals due to rounding.

Summary of Grants and Awards, FY 1984

Division/Program	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
EDUCATION PROGRAMS	181	$18,875,000	$469,125	$19,344,125
Humanities Instruction in Elementary and Secondary Schools	62	7,754,288	444,125	8,198,413
Exemplary Projects, Non-traditional Learners, and Teaching Materials	55	5,190,604	20,000	5,210,604
Central Disciplines in Undergraduate Education	64	5,930,108	5,000	5,935,108
FELLOWSHIPS AND SEMINARS	660	14,745,819	218,930	14,964,749
National Endowment for the Humanities Fellowships				
Fellowships for Independent Study and Research	137	2,949,166	--	2,949,166
Fellowships for College Teachers	142	3,020,803	--	3,020,803
Summer Stipends	220	659,500	--	659,500

Summary of Grants and Awards, FY 1984 (cont'd.)

	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
Summer Seminars for Teachers				
Summer Seminars for College Teachers	84	4,499,264	40,000	4,539,264
Summer Seminars for Secondary School Teachers	59	2,817,085	--	2,817,085
Fellowships at Centers for Advanced Study	18	800,000	178,930	978,930
RESEARCH PROGRAMS	1,036	17,376,490	6,711,248	24,087,737
Basic Research				
Project Research	81	2,991,241	709,078	3,700,319
Intercultural Research	9	1,225,000	1,051,370	2,276,370
Humanities, Science, and Technology	20	651,216	--	651,216
Research Conferences	53	398,603	110,952	509,555
Travel to Collections	511	255,500	--	255,500

Summary of Grants and Awards, FY 1984 (cont'd.)

	No. of Projects	Amount Obligated 1/		
		Outright	Matching 2/	Total
Reference Works				
Tools	71	3,357,163	981,632	4,338,795
Editions	58	2,169,788	695,682	2,865,470
Translations	60	1,106,337	106,616	1,212,953
Resources				
Access	89	4,451,926	2,820,354	7,272,279
Preservation	4	391,079	130,000	521,079
Publications	80	378,636	105,564	484,200
GENERAL PROGRAMS	397	23,426,260	828,839	24,255,099
Humanities Projects in Media	75	9,037,084	643,849	9,680,933
Humanities Projects in Museums and Historical Organizations	176	9,183,791	83,000	9,266,791
Special Projects				
Humanities Programs for Youth	90	695,767	--	695,767

Summary of Grants and Awards, FY 1984 (cont'd.)

	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
Humanities Programs for Adults	33	1,722,770	18,940	1,741,710
Humanities Projects in Libraries	23	2,786,848	83,050	2,869,898
STATE PROGRAMS	81	20,725,940	5,248,060	25,974,000
HUMANITIES STUDIES	16	464,864	225,000	689,864
CHALLENGE GRANTS	152	--	18,255,849	18,255,849
Grand Total	2,523	$95,614,372	$31,957,051	$127,571,423

1/ Includes Definite, Treasury, Challenge, and carryover funds obligated for new grants, supplemental awards on previous years' grants, program contracts, and transfers to and from other agencies.

2/ Includes Definite program funds used to match gifts.

NATIONAL ENDOWMENT FOR THE HUMANITIES
Summary of Grants and Awards, FY 1983

Division/Program	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
EDUCATION PROGRAMS	205	$14,530,102.71	$197,957.50	$14,728,060.21
Humanities instruction in elementary and secondary schools	70	5,965,441.00	130,495.00	6,095,936.00
Exemplary projects, non-traditional programs, and teaching materials	45	2,735,200.00	67,462.50	2,802,662.50
Central disciplines in undergraduate education	90	5,829,461.71	--	5,829,461.71
FELLOWSHIPS AND SEMINARS	633	13,473,314.00	625,457.00	14,098,771.00
National Endowment for the Humanities Fellowships				
Fellowships for independent study and research	127	2,796,904.00	--	2,796,904.00
Fellowships for college teachers	128	2,732,537.00	--	2,732,537.00
Summer stipends	232	626,400.00	--	626,400.00
Summer seminars for teachers				
Summer seminars for college teachers	78	4,529,273.00	--	4,529,273.00
Summer seminars for secondary school teachers	57	2,250,000.00	500,000.00	2,750,000.00
Fellowships at centers for advanced study	11	538,200.00	125,457.00	663,657.00

Summary of Grants and Awards, FY 1983 (cont'd.)

Division/Program	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
RESEARCH PROGRAMS	520	$16,553,489.00	$6,526,610.41	$23,080,099.41
General research				
Basic research	72	2,491,921.00	609,432.84	3,101,353.84
Regional studies	18	891,061.00	84,300.00	975,361.00
Intercultural research	10	1,613,560.00	1,233,607.46	2,847,167.46
Humanities, science, and technology	27	904,376.00	--	904,376.00
Research conferences	57	470,629.00	82,353.00	552,982.00
Research materials				
Research tools	59	2,673,434.00	1,238,211.51	3,911,645.51
Editions	61	2,157,974.00	860,383.91	3,018,357.91
Translations	57	1,042,299.00	50,148.93	1,092,447.93
Research resources				
Organization and improvement projects	82	3,332,020.00	1,877,796.76	5,209,816.76
Conservation and preservation projects	6	577,126.00	475,000.00	1,052,126.00
Publications	71	399,089.00	15,376.00	414,465.00
GENERAL PROGRAMS	313	24,545,845.24	345,229.32	24,891,074.56
Humanities projects in media	86	9,596,261.00	297,500.00	9,893,761.00
Humanities projects in museums and historical organizations	97	5,326,494.00	10,000.00	5,336,494.00
Special projects				
Youth programs	30	683,771.00	--	683,771.00
Program development	73	6,233,793.24	37,729.32	6,271,522.56
(Program development)	(51)	(5,430,371.24)	(37,729.32)	(5,468,100.56)
(HBCU High School Humanities Institutes)	(3)	(180,000.00)	(--)	(180,000.00)
(HBCU Faculty Graduate Study)	(14)	(337,284.00)	(--)	(337,284.00)
(Summer Seminars for College Teachers at HBCU's)	(5)	(286,138.00)	(--)	(286,138.00)
Humanities programs in libraries	27	2,705,526.00	--	2,705,526.00

Summary of Grants and Awards, FY 1983 (cont'd.)

Division/Program	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
STATE PROGRAMS	72	20,326,911.00	3,681,490.00	24,008,401.00
PLANNING AND ASSESSMENT STUDIES	20	700,132.00	--	700,132.00
CHALLENGE GRANTS	165	--	21,808,150.61	21,808,150.61
Grand Total	1,928	$90,129,793.95	$33,184,894.84	$123,314,688.79

1/ Includes Definite, Treasury, Challenge, and carryover funds obligated for new grants, supplemental awards on previous years' grants, program contracts, and transfers with other agencies.

2/ Includes Definite program funds used to match gifts.

Summary of Grants and Awards, FY 1982

Division/Program	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
EDUCATION PROGRAMS	222	$12,723,391.02	$228,900.00	$12,952,291.02
Elementary and secondary education	65	4,660,519.95	228,100.00	4,888,619.95
Higher education/regional and national grants	32	3,429,958.00	--	3,429,958.00
Higher education/individual institutions				
Consultant grants	56	384,100.28	--	384,100.28
Pilot grants	50	2,139,665.79	--	2,139,665.79
Implementation grants	19	2,109,147.00	800.00	2,109,947.00
FELLOWSHIPS AND SEMINARS	679	14,626,059.39	2,904,250.00	16,530,309.39
National Endowment for the Humanities Fellowships				
Fellowships for independent study and research	123	2,393,689.39	--	2,393,689.39
Fellowships for college teachers	160	2,899,650.00	--	2,899,650.00
Regrant programs	6	433,044.00	2,100,000.00	2,533,044.00
Summer stipends	260	650,000.00	--	650,000.00
Summer seminars				
--College teachers	99	5,340,527.00	--	5,340,527.00
--Secondary school teachers	15	785,449.00	--	785,449.00

Summary of Grants and Awards, FY 1982 (cont'd.)

Division/Program	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
Fellowships at centers for advanced study	11	630,153.00	751,250.00	1,381,403.00
Fellowships and seminars for the professions	5	493,547.00	53,000.00	546,547.00
RESEARCH PROGRAMS	570	18,076,298.20	7,663,068.43	25,739,366.63
General research				
Basic research	81	2,840,115.00	617,638.05	3,457,753.05
Regional studies	26	1,255,988.00	21,000.00	1,276,988.00
Intercultural research	10	542,513.12	2,613,777.59	3,156,291.71
Humanities, science, and technology	22	807,490.00	--	807,490.00
Research conferences	45	336,437.00	114,865.00	451,302.00
Research materials				
Research tools	74	3,640,538.00	1,044,650.10	4,685,188.10
Editions	65	3,310,491.00	872,465.58	4,182,956.58
Translations	64	1,011,000.00	105,739.11	1,116,739.11
Research resources				
Organization and improvement projects	89	3,498,470.08	2,027,691.00	5,526,161.08
Conservation and preservation projects	8	432,759.00	224,992.00	657,751.00
Publications	86	400,497.00	20,250.00	420,747.00

Summary of Grants and Awards, FY 1982 (cont'd.)

Division/Program	No. of Projects	Amount Obligated 1/ Outright	Matching 2/	Total
GENERAL PROGRAMS	363	15,420,871.44	746,750.00	16,167,621.44
Humanities projects in media	53	4,610,358.50	465,000.00	5,075,358.50
Humanities projects in museums and historical organizations	102	3,937,160.01	245,000.00	4,182,160.01
Special projects				
Youth programs	121	2,850,409.00	250.00	2,850,659.00
Libraries	22	1,400,347.00	--	1,400,347.00
Program development	60	2,161,826.62	36,500.00	2,198,326.62
Special projects	5	460,770.31	--	460,770.31
STATE PROGRAMS	89	20,261,486.00	2,531,253.01	22,792,739.01
PLANNING AND ASSESSMENT STUDIES	18	899,997.00	--	899,997.00
CHALLENGE GRANTS	202	--	20,736,000.00	20,736,000.00
Grand Total	2,143	$81,008,103.05	$34,810,221.44	$115,818,324.49

1/ Includes Definite, Treasury, Challenge, and carryover funds obligated for new grants, supplemental awards on previous years' grants, program contracts, and transfers with other agencies.

2/ Includes Definite program funds used to match gifts.

NEH Review System

Question: You indicate that grant applications are reviewed by staff, highly qualified advisors including reviewers, and the 26 members of the National Council on the Humanities. How are your peer review members chosen?

Answer: Program staff select panelists and specialist reviewers who are qualified to provide informed analyses of the proposals under consideration. Names of prospective peer reviewers are solicited by NEH through contacts with scholarly and professional associations and through attendance at conferences. We also ask reviewers and panelists who have served with distinction to furnish us with names of colleagues. In addition, the Endowment maintains a computerized data base consisting of the names of 15,000 scholars, educators, administrators, and other professionals in the humanities community. Program staff draw upon this data base to help build panels, as well as to select specialist reviewers and evaluators.

This system has worked extremely well for us over the years; it is respected by the humanities community, which participates in the system, and is known for its fairness, objectivity, and integrity.

Question: What has been done to ensure that panel members have an appreciation of the needs of poorer or less populous States?

Answer: Our outreach efforts at the National Endowment for the Humanities are designed to introduce prospective applicants to the full range of funding opportunities available at NEH and to assist them with the application process. Once proposals are submitted to the agency, however, they receive no special treatment. We tell panelists that each application should be judged only on its instrinsic merits. The principle that federal funds awarded by NEH should support only the best humanities projects has been overwhelmingly endorsed by the scholarly community and the concerned public alike. The American taxpayer is best served if the Endowment supports only those projects and programs that show the greatest promise of making significant contributions to teaching and learning, research and scholarship, and public programming in the humanities.

In many areas of the country the Endowment's programming is not especially well known, however. To improve this situation, the Endowment is working energetically to encourage applications from groups, individuals, and geographical areas that have not heretofore applied to the agency in great numbers. In November of 1986 a full-time "Access to Excellence" program coordinator was appointed to direct these outreach activities. Since then the coordinator has sent out over 2,800 separate mailings to educational organizations, state departments of public instruction, NEH's state humanities councils, and other interested groups. An extensive travel and speaking schedule has been developed for 1987, involving such states as Arizona, Arkansas, Louisiana, Mississippi, Nevada, North Dakota, South Carolina, Utah, Vermont, and West Virginia. In addition to the activities of the Access to Excellence coordinator, in 1986 we issued a directive to NEH program staff asking that they focus their travel plans on those regions of the country less likely to apply

for NEH support -- the South, the Midwest and Great Plains, the Mountain West, and the Southwest.

Most NEH supported projects, of course, benefit citizens in all parts of the country. For example, books resulting from Endowment grants are available in libraries throughout the nation and television productions are broadcast nationally as well as on local public stations. Citizens in "poorer and less populous" states, therefore, have exposure and access to the best work being done in the humanities.

Question: How do you respond to the argument that the review panel system is another contributing factor to the Committee's concern that applicants from the large States appear to be receiving a disproportionately large share of the grants and funding from the Endowment?

Answer: The distribution of awards and funding among the states is not related to the operation of the Endowment's panel system. Rather, the aggregate amount of funding awarded to individuals and institutions in a given state over the course of a fiscal year depends on the number and quality of applications submitted by humanities scholars, institutions, and organizations residing in that state.

As noted in the answer to the preceding question, we are making concerted efforts to publicize our grant opportunities in states and regions that historically have not had a large number of applicants to the agency. This publicity is beginning to show dividends. In the state of Arizona, for example, applicants in FY 1986 received 25 awards totaling about $1.5 million -- almost double the 13 grants and $775,000 awarded in FY 1984. This level of improvement was matched by applicants from West Virginia who received 8 grants and $800,000 in FY 1986 compared to 5 grants and $436,000 in FY 1984.

Applicants from many smaller states actually perform very successfully in the Endowment's panel system vis-a-vis applicants from some larger states. If we look at the application success rate, for example, we find that many smaller states often do as well, if not better, than both the funding ratio for the Endowment as a whole and the ratios for many populous states. For example, the Endowment-wide success rate for applications in FY 1985 was about 25 percent. West Virginia, Nevada, Idaho, Nebraska, and Maine -- as well as other relatively less densely populated states -- exceeded this success rate. In contrast, applicants from New York and California were successful less than the agency average -- only 22 percent and 23 percent respectively. (FY 1986 data are not yet available.)

But it is a fact that the nation's educational and cultural resources are not evenly distributed throughout the country; major institutions and many humanities scholars and other professionals tend to be clustered in certain states and regions. New York, Massachusetts, and Illinois, for example, have many national organizations within their borders that serve the entire country. Many colleges and universities -- where most humanities scholars reside -- also are located in such states. It stands to reason, therefore, that a significant number of applications come from these areas and, by extension, they receive a large number of awards.

Question: Was the concern that the Committee raised last year on the distribution of awards by State brought to the attention of each of the members of the peer review system?

Answer: We, too, share the Committee's concern and, as noted in the answers to the preceding questions, we are working hard to promote the Endowment's programs across the country. This is the best way, the fairest way to insure wide geographic distribution of NEH awards. Through our outreach and technical assistance to prospective grantees, we are making more individuals and institutions aware of the opportunities at NEH and helping them put together competitive applications. The proper role for our panels is to tell us which applications are of such high quality and importance that they warrant the support of the Endowment. No other factors are introduced in the process. In discharging their duties, panelists do not discriminate either for or against proposals on any basis except merit. Merit is the sole criteria for judging applications. For more than twenty years, NEH has sought to foster scholarship and access to the humanities on the basis of merit and quality. This is a goal respected by our panels, the scholarly and public programming communities, and by our applicants -- both those approved and those rejected.

Question: Does follow-up action take place in response to critical comments of peer reviewers? Give illustrations.

Answer: The Endowment has a policy of making available to the rejected applicant a detailed analysis of the critical comments about the application from panelists and specialist reviewers. In some Endowment programs, we receive requests for explanations of rejection from about half of those who are turned down. The number of requests continues to grow each year, and we actively encourage such inquiries. The rejected applicant directly benefits from this policy because the comments of reviewers and panelists can help the applicant re-focus the proposal to make it more competitive in a later review cycle.

In the Division of Fellowships and Seminars, for example, many proposals show promise of making significant contributions to our knowledge of the humanities but contain flaws in organization or emphasis that render them uncompetitive with other applications. Many rejected applicants revise and resubmit their applications against future deadlines and ultimately receive funding. For example, Joan Templeton, who teaches at Long Island University, in 1985 applied for a Fellowship for College Teachers and Independent Scholars. Her proposal, on "Ibsen's Women Characters," was not recommended, but she requested the panel comments and re-applied in 1986 with a revised proposal on the same topic. Her revised proposal was funded. In a similar fashion, Gordon Lloyd of the University of Redlands in California was twice unsuccessful in his applications to direct a summer seminar for secondary school teachers on "The Federalist-Antifederalist Debate." On the strength of panel comments, however, he refined his proposal and received a grant to direct a seminar this summer.

Travel Costs

Question: The FY 1988 budget request includes $335,000 for travel costs (p. 74 of the justification), an increase of $5,000 over the FY 1987 level. Of the total amount, $244,000 is budgeted for staff travel. This amounts to approximately $1,000 per employee. How much of the amount is necessary to enable the Endowment's audit and Civil Rights offices to fulfill their statutory and regulation responsibilities? And how much of the amount is for discretionary staff travel?

Answer: Through staff travel, the Endowment is addressing two of the major concerns expressed by the Subcommittee: effective oversight of NEH grants and programs and wide geographic distribution of Endowment funds.

About 46 percent of NEH staff travel ($110,000) involves oversight functions. Staff site visits are made for a variety of purposes including grant administration, technical assistance, and financial reviews and inspections. Site visit travel involving audits by the NEH audit staff is estimated to cost $17,000 in FY 1987. These comprehensive audits include reviews of grantees' compliance with federal rules and regulations in the area of civil rights.

The other 54 percent of staff travel ($134,000) is incurred so that staff can spread the word about the Endowment and its programs at humanities meetings and conferences around the nation. At these gatherings, NEH staff members make presentations about the agency's operations, explain new grant programs and directions, and provide technical assistance to prospective applicants.

In FY 1986, NEH staff traveled to all 50 states, evaluating and monitoring Endowment awards and activities and disseminating information about funding opportunities available at NEH.

Question: What is the average cost and duration of an out-of-town staff trip?

Answer: The average trip lasts 3.2 days and costs $488.

Question: How many staff trips will be made in FY 1987? In FY 1988?

Answer: About 500 staff trips per year are estimated for FY 1987 and FY 1988.

Question: Who approves such travel? What measures does the Endowment currently employ to monitor staff travel to assure there are no abuses in this area?

Answer: Planning and approval for travel are done at the supervisory level. Specific trips must be approved by the division director or office head and are reviewed by the Assistant Chairman for Programs or the Assistant Chairman for Administration. The

review of travel planned for the fourth quarter of FY 1987 is currently underway. Our travel review process ensures that only essential travel is undertaken.

Question: How much in additional travel costs are carried in the budget for FY 1987 and FY 1988 under the object classification entitled "Other Services" and "Panelist's Contracts"? Is this amount increasing, and if so, for what reasons?

Answer: About $90,000 in travel costs are included under "Other Services." This consists of the travel and per-diem costs paid to (1) Intergovernmental Personnel Act details (IPAs), (2) site visitors who are contracted to evaluate Endowment grants, and (3) travel for the staff members assigned to the President's Committee on the Arts and the Humanities.

The travel portion of "Panelist Contracts" is about $410,000. NEH contracts for the services of about one thousand panelists a year who meet in Washington to evaluate applications.

The costs of individual trips have increased in FY 1987 and FY 1988 because the federal per-diem rate was raised from a maximum of $75 a day to $126 a day, adding an estimated 12 to 15 percent to total travel charges. Airfares have also been rising slightly every year.

Question: What can be done to cut back on the number and duration of staff and other personnel travel costs?

Answer: We are proud of the fact that the agency's travel costs have actually been reduced significantly over time. In FY 1980, for example, $452,000 was obligated for travel. When compared to the $335,000 estimated for travel in FY 1988, there has been a reduction of 26 percent. Please note that this reduction is in terms of absolute dollars, ignoring inflation. Also, airfares are much higher than in 1980, and maximum per-diem rates have risen from $50 in 1980 to $126 in FY 1987.

Again I must emphasize that travel is essential for NEH to fulfill its legislated mandate and to respond to Congressional concerns. To achieve the wide geographic representation on our panels and in our grants that both NEH and Congress prefer, travel is crucial. We must pay to bring panelists to Washington and to send Endowment staff out to work with potential applicants. NEH staff must also perform site visits to review the progress of our awards and to analyze grantee financial systems.

As mentioned in previous questions, all trips are reviewed by immediate supervisors, division and office heads, and the Assistant Chairman for Programs and the Assistant Chairman for Administration. Last year, a directive was issued that instructed all employees to combine as many activities as possible into every trip. In addition, all trips are coordinated to insure that the number of NEH employees at scholarly meetings or workshops is kept to a minimum. Agency management will continue to do everything possible to control and reduce travel costs, in fact, to control and reduce all elements of overhead.

Question: Please provide for the Committee files a listing (consistent with the provisions of the Privacy Act) for the past two years, the name, the dates, destination, duration, and cost of each out-of-town trip funded by the Endowment.

Answer: The information was supplied and is retained in the Committee files.

Telephone Costs

Question: Your budget for fiscal year 1988 contemplates FTS and long-distance telephone costs of $251,000, which is approximately $1,000 per employee. How do you account for telephone bills of this magnitude?

Answer: The General Services Administration (GSA) advises each agency what to budget each year for its estimated FTS usage; GSA's estimate for FY 1988 is $246,200. (Our estimate for long distance calls over commercial lines is $4,800, which is added to the FTS for a total cost of $251,000.) Over the years, GSA has increased the Endowment's FTS charges by almost 450 percent. In FY 1980 NEH paid GSA $45,000 for the FTS service, and we used the system more then than we do now. The Endowment has been notified in writing from GSA that "FTS has continued to be significantly impacted by changes due to divestiture, deregulation, and the restructuring of the telecommunications industry."

Long-distance telephone calling is used in every aspect of the Endowment's operations. NEH program staff must be in contact with about 8,000 reviewers and panelists each year, as well as thousands of applicants and grantees. Much of the Endowment's outreach activities and technical assistance to prospective grantees are also conducted over the phone. Moreover, the staffs of the Grants Office, the Accounting Office, and the Audit Office must frequently confer with grantees in the performance of the agency's management and oversight responsibilities. Considering the enormous amount of work that the Endowment conducts by long distance telephone and the fact that the FTS cost is only about one and one-half percent of the Endowment's administrative budget, it is certainly a most cost-effective way of doing business.

Question: What percentage of your employees would have occasion to place long-distance calls on a regular basis?

Answer: An estimated two-thirds of our employees (about 180) must use long-distance telephone service in the performance of their duties.

Question: Do you monitor the use of long-distance telephone calls to assure that there are no abuses in this area?

Answer: We routinely monitor long-distance usage through printouts of sampled calls received from the General Service Administration. Through memoranda, employees are periodically reminded to keep necessary calls to a minimum, to limit

long-distance calling to official business purposes only, to keep the conversation to the minimum necessary to conduct the business at hand, and to avoid being placed "on hold" for long periods (GSA bills are based on the total "connect time"). As a result, the average length of FTS calls at NEH in FY 1986 was 12 percent lower than the government-wide average, 4.4 minutes a call at NEH compared to 5.0 minutes government-wide.

Guidelines and Regulations

Question: Does the Endowment have under consideration or in the planning stages, any changes in its guidelines and/or regulations? Briefly describe these new guidelines and how implementation will improve predecessor efforts, especially in view of the proposed reduction in funding.

Answer: The guidelines for all Endowment programs are updated annually. The most comprehensive recent revision to guidelines involved our Division of Education Programs. The new guidelines, scheduled for release in July 1987, reflect the new organization of the division into two equal parts: Humanities Instruction in Elementary and Secondary Schools and Humanities Instruction in Institutions of Higher Education. We believe that a simplified organization and a less prescriptive program structure will encourage educational leaders trying to strengthen teaching and learning in the humanities to come to us with their best ideas, even when those ideas differ from the approaches the Endowment has supported in the past. The two-part structure is also meant to demonstrate the equal emphasis that we intend to put on programs to improve humanities instruction at both the elementary and secondary level and the higher education level.

In previous hearings, the Subcommittee had expressed concern about the growing number of second-time grantees in the NEH Challenge Grant program. We shared the Subcommittee's concern and consequently have revised our guidelines to give a lower priority to second-time applicants in relation to applicants for first awards. Beginning in fiscal year 1988, recipients of second awards will be required to raise four times the amount of federal funds offered rather than the three-to-one match required of first-time recipients. The Endowment believes that extra requirements should be made of repeaters because, by virtue of the experience of their first Challenge Grant, they already should be successful fund-raisers. The increased matching requirement will also mean that second-time recipients will have to extend their donor base even further, which should aid long-term financial stability.

Application instructions are being changed to reflect the expansion of the Endowment's policy regarding applicants who are delinquent on federal debt. Last year, Acting Chairman John Agresto announced that the Endowment would not award grants or fellowships to applicants who were delinquent on federally backed student loans. In November of 1986, in keeping with the statutory and regulatory directives, the Endowment policy was broadened to include all federally backed loans -- individual or insititutional.

In these times of federal debt crisis, one of the most responsible actions NEH or any government entity can take is to accelerate efforts to help collect moneys owed to the federal government.

Question: Provide for the record any other anticipated changes in guidelines and/or regulations.

Answer: At this time, we do not anticipate any other program initiatives or emphases requiring major revisions in guidelines or regulations.

Intergovernmental Personnel Act Contracts

Question: The FY 1988 budget request includes what amount under "Other Contractual Services" for Intergovernmental Personnel Act (IPA) contracts.

Answer: The FY 1988 budget request contains $625,000 for ten to twelve IPA contracts.

Question: Please provide for the record, for each of the past three years, a list of IPA contracts, their cost and duration, and the source from which the individual was recruited.

Answer: The requested information on IPA contracts follows. IPAs at NEH are recruited from colleges and universities throughout the country. They are usually given one-year contracts, which are often renewed for a second year.

Intergovernmental Personnel Contracts

FY 1986

Name/Affiliation	Term	Cost
Chapman, Sara Tulane University New Orleans, LA	one year	$78,725
Clark, Beatrice Hampton Institute Hampton, VA	one year	46,146
Gregorian, Hrach Simmons College Boston, MA	one year	55,876
Hall, Michael Centenary College of Louisiana Shreveport, LA	one year	47,384

Nolan, Patrick Wright State University Dayton, OH	one year	52,800
Reed, Traciel North Carolina State University Raleigh, NC	six months	20,200
Romano, Dennis University of Mississippi University, MS	one year	42,020
Tigner, Steven University of Toledo Toledo, OH	one year	72,673
Ward, Thomas Fairfax County Public Schools Fairfax, VA	one year	66,140

FY 1985

Bledsoe, Robert University of Texas El Paso, TX	one year	60,396
Chapman, Sara Tulane University New Orleans, LA	one year	76,484
Ginsberg, Judith Union College Schenectady, NY	one year	61,759
Gregorian, Hrach Simmons College Boston, MA	one year	54,700
Hall, Michael Centenary College of Louisiana Shreveport, LA	one year	45,900
Maher, William University of Illinois Urbana, IL	one year	49,969
Matthews, Constance Amherst-Pelham School District Amherst, MA	one year	52,852
Mitchell, Kathleen Purdue University West Lafayette, IN	one year	43,915
McDowell, Gary Tulane University New Orleans, LA	six months	24,500

Nichols, David Catholic University Washington, D.C.	one year	33,700
Peterson, Paul University of South Carolina Conway, SC	one year	47,000
Schultz, Peter Catholic University Washington, D.C.	one year	36,300
Tigner, Steven University of Toledo Toledo, OH	one year	66,000
Ward, Jerry Tougaloo College Tougaloo, MS	one year	45,700
Ward, Thomas Fairfax County Public Schools Fairfax, VA	one year	61,780

FY 1984

Anderson, Eric Pacific Union College Angwin, CA	one year	$45,674
Cameron, Richard Minnesota Historical Society St. Paul, MN	one year	44,000
Cherry, Wilsonia University of North Carolina Asheville, NC	one year	48,235
Chomiak, Martha Manhattanville College Purchase, NY	one year	45,263
Crunkleton, Martha College of Higher Education Richmond, VA	one year	45,963
Emmerson, Richard Walla Walla College College Place, WA	one year	53,419
Garver, Eugene California State College San Bernardino, CA	one year	63,447
Ginsberg, Judith Union College Schenectady, NY	one year	58,449

Herzman, Ronald State University College Geneseo, NY	one year	68,835
Jacobson, Marcia Auburn University Auburn, AL	one year	56,732
Laycock, Steven University of Hawaii Honolulu, HI	one year	51,186
Mansbach, Steven University of Houston Houston, TX	one year	49,540
Matthews, Constance Amherst-Pelham School District Amherst, MA	one year	50,237
Nichols, James Claremont-McKenna College Claremont, CA	one year	60,970
Schmeltekopf, Donald Union County College Cranford, NJ	20 months	92,000
Wright, David Michigan State University East Lansing, MI	six months	25,326

Question: How could the IPA program be used to address the Committee's concern that applicants from the large States seem to be receiving a disproportionately large share of the grants and funding from the Endowment, while applicants from the smaller States, such as West Virginia, who might be less experienced in the art of preparing applications, get overlooked. Could the IPA program be used to address this apparent inequity in poorer States?

Answer: In recent years IPAs have been drawn from a number of less-populated states or from regions of the country that have submitted disappointing numbers of proposals to NEH, including Louisiana, Alabama, Hawaii, Mississippi, North Carolina, Virginia, and South Carolina. This geographic diversity is one of the hallmarks of the IPA program, and we will continue to obtain IPAs from all parts of the country in the coming years.

We do not believe, however, that decisions to hire IPAs should be governed entirely by geographic factors. Frequently there is an IPA candidate who possesses a combination of perspective, knowledge, and training that will bring unique experience to the Endowment. NEH should be able to consider such an individual regardless of state of origin.

We have other vehicles in place, such as the "Access to Excellence" program, that provide a more efficient and effective means of encouraging increased participation in NEH funding

programs by smaller states. The "Access to Excellence" program seeks to make the agency's programs available to citizens in rural, urban, tribal, and minority communities. The program's outreach efforts are specifically designed to assist those groups who have neither applied for nor received NEH funding in great numbers.

Specific activities of the "Access to Excellence" coordinator that promote NEH programs in smaller states include presentations about NEH programs and about the application and review processes, consultation and collaboration with various professional organizations and government agencies that can assist in disseminating information and developing travel itineraries, and technical assistance to individuals and institutions who are unfamiliar with NEH and its funding programs.

The Endowment has also been able to reach institutions in smaller states by holding occasional workshops at historically black colleges and universities. In 1986 such workshops were held at Texas Southern University, Spelman College in Georgia, and North Carolina Central University.

All of our outreach efforts are designed to introduce prospective applicants to the full range of funding opportunities available at the Endowment and to familiarize them with the application process.

National Capital Arts and Cultural Affairs Program

Question: Your budget submission again this year calls for a rescission of funds for the National Capital Arts and Cultural Affairs program. What is the status of the funds appropriated for this activity for FY 1987?

Answer: Congress had until March 15 to act on the proposal to rescind the funds appropriated for FY 1987. Congress took no action on the proposal, and, as established by law, the funds automatically became available for obligation on March 16.

Question: What is the status of any guidelines or application instructions which may be required for this program?

Answer: Guidelines and application instructions have been issued to the field inviting applications to the program against an April 20 deadline. Awards should be made by the middle of May.

Question: Concerns have been brought to the attention of the Committee regarding its guidelines for the program. Some small potential grantees, such as the Textile Museum, may not qualify. What is your reaction and what specific suggestions do you have which would allow the Endowment to assist the Textile Museum?

Answer: The National Endowment for the Humanities will administer the program in accordance with whatever legislative language is approved by Congress. The Endowment would be pleased to work with the Textile Museum on any humanities projects it wants

to undertake. The National Endowment for the Arts and the Institute of Museum Services might also be of assistance.

Summer Seminars for Secondary School Teachers

Question: Senator Bumpers and others have expressed interest in your program of Summer Seminars for Secondary School Teachers. How many seminars are you planning for FY 1988? How does this compare with FY 1987? How many teachers will participate in these seminars in FY 1988 and FY 1987?

Answer: In FY 1988, the Endowment's funding request of $3.324 million for the Summer Seminars for Secondary School Teachers program will support 52 seminars and approximately 780 teacher-participants. In FY 1987, funding of $3.640 million is supporting 55 seminars that will be attended by an estimated 825 teachers.

Questions: What recruiting steps will you take with regard to this program in order to make it more responsive to the Committee's concerns that small States, such as West Virginia, participate in increasing numbers in these programs?

Answer: The Endowment has undertaken special publicity efforts to provide information about the 1987 seminars to states, and areas within states, that have had the fewest number of teachers participating in the program in the past. In addition to sending information to the heads of departments of English and social studies in every secondary school in the country, to state humanities councils, and to professional organizations and journals, we have directed special requests to publicize the program to small local organizations for teachers in the targeted areas and to state board of education supervisors for humanities and foreign languages. We will continue to direct these intensified publicity efforts to potential participants from geographic areas and populations that have not applied in large numbers in the past. We also plan to encourage past participants, the program's best publicists, to speak about the seminars at local, regional, and national conferences for teachers, particularly in the targeted states.

In addition, experience has shown that seminars offered in the midwest and south tend to draw more applicants from those areas than do seminars on the east or west coasts. Therefore, particular efforts have been made to encourage faculty in institutions in the south and midwest to apply to direct seminars. In the summer of 1987, thirteen seminars will be offered at midwestern institutions. Recent discussions about the program with academic deans and grants administrators also have proven successful in generating applications from faculty at institutions in small states. For example, as a result of the staff's conversations with an administrator at West Virginia University, three preliminary proposals have been submitted to direct 1988 seminars.

The NEH Access to Excellence coordinator has also vigorously promoted the Summer Seminars for Secondary School Teachers program, along with other Endowment programs.

Second Challenge Grants

Question: In the past, the Endowment has testified before the Subcommittee that the policy of allowing institutions to be eligible for second Challenge grants would be reviewed. Has this review now been completed, and, if so, have any policy changes been made? How will these changes tend to help first-time applicants in the competition for funding?

Answer: The Endowment shared the Subcommittee's concern that second-time applicants for Challenge Grants might displace highly meritorious first-timers in the competition for funding. Accordingly, after careful staff review and consultation with the National Council on the Humanities, several significant revisions were made in our policies in the Challenge Grant program. While institutions that have received a Challenge Grant in the past will still be eligible to apply for a second award, additional demands will be made on these proposals. To begin with, applications for second awards will receive lower priority in our review process vis-a-vis applications for first-time awards. Second-time applicants will now be considered for grants only after all of the best applications for initial awards have been funded. Moreover, beginning in fiscal year 1988, we will differentiate the amount of the match required by the two types of grantees. Recipients of second awards will have to raise four times the amount of federal funds offered rather than the three-to-one match required of first-time recipients. The Endowment believes that this additional match should be required for repeat applicants because, by virtue of the experience of their first Challenge Grant, they should already be successful fund-raisers. The increased matching requirement will also mean that second-time recipients will have to extend their donor base even further, which should aid their long-term financial stability.

Bicentennial of the U.S. Constitution

Question : The National Endowment for the Humanities has been involved in preparations for the Bicentennial of the U.S. Constitution for a number of years. How long has the involvement been going on? How much has been spent? List some specific accomplishments.

Answer: Since 1982, the National Endowment for the Humanities has funded more than $22 million in grants to organizations and individuals for hundreds of projects on the Constitution of the United States. NEH grants have supported a wide range of activities, such as public television broadcasts and radio programming, the publication of scholarly texts and reference works, seminars for secondary school teachers and college professors, individual scholarly research projects, and

interpretive exhibitions, lecturers, and conferences -- all focusing on aspects of the U.S. Constitution. Among these projects are:

-- The publication of The Founders' Constitution, a collection of historical documents that helps to illuminate how the Constitution was created, ratified, and interpreted by the founders of the American republic. The collection was edited by Philip B. Kurland and Ralph Lerner.

-- The "Bicentennial Bookshelf" program, providing matching grants of $500 each to 846 public libraries around the country for the purchase of reference works and other books on the Constitution.

-- "Miracle at Philadelphia," an exhibit located in Independence National Historical Park in Philadelphia, covering the history of the framing of the Constitution.

-- "Dateline 1787," a series of half-hour radio programs on the Constitutional Convention, produced by National Radio Theater of Chicago for broadcast in summer 1987.

-- The publication of the Encyclopedia of the American Constitution, a comprehensive, four-volume reference work edited by Leonard W. Levy of Claremont Graduate School.

-- "Project '87" a joint effort of the American Historical Association and the American Political Science Association to sponsor research, scholarly exchanges, conferences, and public programs on the Constitution. Project '87 also publishes this Constitution, a quarterly magazine containing essays by noted Constitutional scholars and articles of interest to persons planning school or public programs on the bicentennial of the Constitution.

Question: What, if anything, will last from this?

Answer: We hope that all the educational programs that the Endowment has sponsored in honor of the Bicentennial of the U.S. Constitution will have a lasting impact on public understanding of this nation's founding document. But it may well be the many books created and distributed with NEH funds that will have the most enduring effect. Long after the public celebration of the Bicentennial has ended, researchers and students of the Constitution will rely on works of scholarship made possible through Endowment support, and ordinary citizens in communities throughout the country will continue to find important texts on the Constitution in their local library, thanks to the "Bicentennial Bookshelf."

Question: How do you respond to the charge of some critics that the Endowment's grants in support of the Bicentennial have been used to advance a certain point of view? Aren't balanced presentations by grantees required by the Endowment's rules and regulations? Are you in violation of these rules and regulations?

Answer: NEH Guidelines prohibit the support of projects that advocate or promote a particular political, ideological, religious,

or partisan point of view. The Endowment has awarded funding for projects related to the Bicentennial of the U.S. Constitution to hundreds of institutions and organizations, including colleges, universities, libraries, museums, and national membership organizations such as the American Political Science Association, the American Historical Association, and the Council of Chief State School Officers. Some of these grant recipients may be considered to have a liberal or conservative orientation; most have none at all. But in all cases, the projects supported by NEH are required to address their subject matter in a balanced way.

The fact is that NEH funds are awarded to grant applicants strictly on the basis of the merit of their proposals as determined through a comprehensive and fair review process involving peer panels, NEH staff, members of the National Council on the Humanities, and the Endowment Chairman. The likelihood that a project will give a balanced presentation of the issues is an important factor in the review of any proposal. The presumed ideological orientation of the applicant organization is not.

Preservation of Research Materials

Question: What is the status of the preservation program designed to protect the millions of "brittle" books and other materials that are used by humanities researchers?

Answer: The Endowment remains committed to an active program to arrest the deterioration of humanities research resources in libraries, archives, and other repositories throughout the nation. The scope of the preservation problems goes well beyond the estimated 76 million "brittle books" in the nation's research libraries, however. At NEH, we are also concerned about newspapers, journals, documents, and other print and non-print materials that are consulted by humanities researchers and that are crucial to an understanding of our nation's heritage.

In 1985 the Endowment established a special Office of Preservation to focus our activities in this area and to draw attention to the issue. Through this office, the Endowment provides national leadership in the preservation area by supporting projects to survey the extent of the deterioration of scholarly humanities resources, to encourage cooperative and selective microfilming, to bring about improvements in preservation technology, and to train curators in preservation techniques.

Question: How do the preservation activities funded under the $3.6 million budget request for preservation relate to the similar preservation activities of the Library of Congress? What specific steps are you taking to avoid duplication and overlap in this area?

Answer: The preservation activities of the Endowment and those of the Library of Congress have different emphases. The Library is primarily concerned with saving or preserving its own collections, chiefly by means of chemical mass deacidification. The Endowment, on the other hand, supports the efforts of organizations and institutions in a variety of preservation projects and programs,

including cooperative microfilming, surveys of documents at risk, and educational programs to train preservation administrators. We are especially interested in funding model projects that others can emulate.

One preservation area where NEH and the Library of Congress work very closely together is the United States Newspaper Program. NEH is responsible for making and administering the grants in the program while the Library oversees the quality of the bibliographic entires in the national data base. An inter-agency agreement has been adopted that clearly delineates the responsibilities of the two agencies so that duplication of effort is avoided.

NEH staff also guard against possible overlap by maintaining contact with staff at the Department of Education's Title II-C program and at the National Historical Publications and Records Commission -- two other federal programs that are also involved in preservation activities.

Continuation Costs versus New Awards

Question: Please provide for the record a breakdown, by category, for each of the last three years of the number and amount of awards which are, for that particular year, continuation costs or moral commitments and which are new awards.

Answer: The attached tables provide the requested information for FY 1986 and FY 1985. We do not have adequate computer data to provide figures for FY 1984.

To some extent, "contination awards" reflect small adjustments in the grant amount originally awarded. For the most part, however, they represent funds awarded for the purpose of matching third-party gifts raised by the recipients of an NEH matching grant. Typically, an offer of matching funds extends over a period of several years; matching grantees receive these funds as they are able to raise private funds of an equal amount -- even though that may occur in a year subsequent to the year in which the matching offer was originally made.

In FY 1986, "new awards" represented 85 percent of all funding and 88 percent of all grants; in FY 1985, the corresponding figures were 78 percent and 86 percent. In some cases, funding was awarded to supplement a grant made in a previous year. However, in all cases, these funds were awarded within the current fiscal year after a separate project proposal was submitted and reviewed in competition with others.

Over a period of years, a succession of grants may be awarded for a single long-term project until the project is brought to completion. Renewal grants of this sort are particularly prevalent in several programs in the Research division, principally the Editions and Tools programs. The Media program also awards grants sequentially. A project for a televison production or film may initially receive funding for planning or scripting and later receive another grant for production. Of course, funding is awarded

to the state councils on an annual basis. However, neither renewal nor supplemental funding represents a "moral" commitment of the Endowment to an earlier grantee; applicants for such support must submit a new proposal, which is reviewed on the same basis as that of any other applicant within a particular program category.

Summary of Grants and Awards, FY 1986

Division/Program	Continuation Awards 1/ #	Continuation Awards 1/ $	New Grants 2/ #	New Grants 2/ $	Total Obligations 3/ #	Total Obligations 3/ $
EDUCATION PROGRAMS	15	$548,653	137	$14,291,898	151	$14,840,551
Humanities Instruction in Elementary and Secondary Schools	5	166,803	55	6,751,494	59	6,918,297
Exemplary Projects and Humanities Programs for Nontraditional Learners	3	115,000	39	4,011,158	42	4,126,158
Central Disciplines in Undergraduate Education	7	266,850	43	3,529,246	50	3,796,096
FELLOWSHIPS AND SEMINARS	--	--	1,038	14,370,281	1,038	14,370,281
NEH Fellowships						
Independent Study and Research	--	--	146	3,631,834	146	3,631,834
College Teachers	--	--	117	2,958,817	117	2,958,817
Summer Stipends	--	--	223	668,500	223	668,500
Travel to Collections	--	--	436	218,000	436	218,000

Summary of Grants and Awards, FY 1986 (cont'd.)

	Continuation Awards 1/		New Grants 2/		Total Obligations 3/	
	#	$	#	$	#	$
FELLOWSHIPS AND SEMINARS (cont'd)						
Summer Seminars						
College Teachers	--	--	60	3,721,615	60	3,721,615
Secondary School Teachers	--	--	56	3,171,515	56	3,171,515
GENERAL PROGRAMS	34	2,204,452	391	22,518,508	423	24,722,960
Humanities Projects in Media	6	178,506	54	9,591,499	58	9,770,005
Humanities Projects in Museums and Historical Organizations	16	1,686,819	94	7,196,512	110	8,883,331
Youth Projects	--	--	10	393,470	10	393,470
Younger Scholars	--	--	165	338,200	165	338,200
Public Humanities Projects	7	272,204	35	2,257,614	42	2,529,818
Humanities Projects in Libraries	5	66,923	33	2,741,212	38	2,808,135

Summary of Grants and Awards, FY 1986 (cont'd.)

	Continuation Awards 1/		New Grants 2/		Total Obligations 3/	
	#	$	#	$	#	$
RESEARCH PROGRAMS	117	4,069,132	322	16,881,679	431	20,950,811
Texts						
Editions	31	688,143	34	2,514,173	65	3,202,316
Translations	14	166,701	37	1,125,716	51	1,292,417
Publication Subvention	3	7,578	54	300,606	57	308,184
Reference Materials						
Tools	23	1,099,686	35	2,891,759	56	3,991,445
Access	10	336,013	41	2,639,108	48	2,975,121
Interpretive Research						
Projects	20	546,849	53	3,044,795	72	3,591,644
Humanities, Science and Technology	--	--	14	729,568	14	729,568
Regrants						
Conferences	7	93,161	33	447,470	40	540,631
Centers for Advanced Study	3	51,000	15	844,200	17	895,200
International	6	1,080,000	3	1,462,500	8	2,542,500
Regrants in Selected Areas	--	--	3	881,785	3	881,785

Summary of Grants and Awards, FY 1986 (cont'd)

	Continuation Awards 1/		New Grants 2/		Total Obligations 3/	
	#	$	#	$	#	$
STATE PROGRAMS	26	2,599,261	77	21,507,738	79	24,106,999
OFFICE OF PRESERVATION	2	99,543	32	3,959,664	32	4,059,207
CHALLENGE GRANTS	84	8,216,009	44	7,954,991	128	16,171,000
Total Humanities	278	$17,737,051	2,041	$101,484,758	2,282	$119,221,809
National Capital Arts and Cultural Affairs	--	--	15	1,903,000	15	$1,903,000

1/ Award amendments on previous years' grants and program contracts.
2/ New grants, supplemental awards on previous years' grants, and program contracts.
3/ Project counts do not add to totals because, in some cases, both a supplement grant and one or more award amendments are obligated for the same project.

Note: Detail may not add to totals due to rounding.

Summary of Grants and Awards, FY 1985

Division/Program	Continuation Awards 1/ #	Continuation Awards 1/ $	New Grants 2/ #	New Grants 2/ $	Total Obligations 3/ #	Total Obligations 3/ $
EDUCATION PROGRAMS	22	1,839,754	155	16,050,062	177	$17,889,816
Humanities Instruction in Elementary and Secondary Schools	5	911,701	57	7,055,677	62	7,967,378
Exemplary Projects and Humanities Programs for Nontraditional Learners	8	750,883	38	4,281,296	46	5,032,179
Central Disciplines in Undergraduate Education	9	177,170	60	4,713,089	69	4,890,259
FELLOWSHIPS AND SEMINARS	10	359,292	611	14,949,192	618	15,308,484
National Endowment for the Humanities Fellowships						
Fellowships for Independent Study and Research	1	1,190	135	3,360,743	136	3,361,933
Fellowships for College Teachers	--	--	109	2,655,243	109	2,655,243
Summer Stipends	--	--	219	657,000	219	657,000

Summary of Grants and Awards, FY 1985 (cont'd.)

	Continuation Awards 1/		New Grants 2/		Total Obligations 3/	
	#	$	#	$	#	$
FELLOWSHIPS AND SEMINARS (cont'd)						
Summer Seminars						
Summer Seminars for College Teachers	--	--	70	3,997,976	70	3,997,976
Summer Seminars for Secondary School Teachers	2	54,852	55	2,405,636	57	2,460,488
Undergraduate Fellows in the Humanities	--	--	10	697,594	10	697,594
Fellowships at Centers for Advanced Study	7	303,250	13	1,175,000	17	1,478,250
GENERAL PROGRAMS	22	1,643,149	315	22,447,312	333	24,090,461
Humanities Projects in Media	8	773,671	73	8,600,460	78	9,374,131
Humanities Projects in Museums and Historical Organizations	6	683,987	131	8,884,505	137	9,568,492
Humanities Projects for Youth	--	--	54	662,771	54	662,771
Humanities Projects for Adults	5	54,282	22	1,646,975	25	1,701,257
Humanities Projects in Libraries	3	131,209	35	2,652,601	39	2,783,810

Summary of Grants and Awards, FY 1985 (cont'd.)

	Continuation Awards 1/		New Grants 2/		Total Obligations 3/	
	#	$	#	$	#	$
RESEARCH PROGRAMS	102	6,268,906	778	18,100,876	874	24,369,782
Basic Research						
Project Research	17	309,982	63	3,572,549	80	3,882,531
Intercultural Research	7	2,126,245	2	500,000	8	2,626,245
Humanities, Science and Technology	--	--	13	729,785	13	729,785
Research Conferences	6	40,396	38	412,385	44	452,781
Travel to Collections	--	--	411	205,500	411	205,500
Reference Works						
Tools	16	750,676	44	3,332,483	58	4,083,159
Editions	25	542,736	44	3,201,145	66	3,743,881
Translations	11	191,870	43	1,133,860	54	1,325,730
Resources						
Access	18	2,003,968	56	4,682,893	74	6,686,861
Preservation	1	300,000	--	--	1	300,000
Publications	1	3,033	64	330,276	65	333,309

Summary of Grants and Awards, FY 1985 (cont'd.)

	Continuation Awards 1/		New Grants 2/		Total Obligations 3/	
	#	$	#	$	#	$
STATE PROGRAMS	43	3,637,467	53	20,775,533	73	24,413,000
CHALLENGE GRANTS	121	14,306,673	44	5,293,327	166	19,600,000
Grand Total	320	28,055,242	1,956	97,616,302	2,241	$125,671,544

1/ Award amendments on previous years' grants and program contracts.
2/ New grants, supplemental awards on previous years' grants, and program contracts.
3/ Project counts do not add to totals because, in some cases, both a supplement grant and one or more award amendments are obligated for the same project.

Note: Detail may not add to totals due to rounding.

Pay Raise and FERS Costs

Question: The budget justification indicates that the combined cost of the January 1, 1987 3% government-wide pay raise and the Federal Employee Retirement System (FERS) is $425,000 in fiscal year 1987. Some part will be covered through economies in the administration account. How do you propose to fund the remaining $200,000 cost in FY 1987, and what will be the adverse impact, if any, on the operating program?

Answer:

Note: I believe "the remaining $200,000 cost" actually involves material in NEA's budget justification.

As you indicate, NEH's budget contains an estimate of $425,000 in total additional administrative costs required to fund the January pay raise and the new federal retirement system, FERS. We have provisionally moved the estimated additional funds needed in FY 1987 to pay for FERS and the pay raise from the program account to the administrative account. I must stress, however, that this adjustment is tentative. We do not know, at this point, how many people will convert from the old Civil Service Retirement System to the more costly new FERS plan nor do we yet know the level of employee savings that we will be required to match under the FERS thrift options. As stated in the budget request, as the year progresses we will have a better sense of what our real requirements will be. In the meantime, we will make every attempt to absorb as much of the costs of FERS and the pay raise as possible within the current administrative allowance of $14.2 million.

No significant adverse impact on our programming is anticipated. If any program funds are transferred, they will be moved from areas where all deserving humanities projects have already been supported.

Question: In FY 1988, the full year cost of the 1987 pay raise and the new FERS retirement system is estimated to be $890,000. How does the budget propose to cover these costs?

Answer: In FY 1988, $750,000 of the additional funds needed for FERS and the pay raise are already included in the budget request. We believe we can absorb the $140,000 balance through management improvements.

High Level Positions

Question: Please provide for the record the usual table on the detail of permanent positions.

For any new positions, GS-14 and higher, please indicate for the record the reasons why such positions are necessary and those entities/persons who reviewed and recommended the higher level positions.

Answer: The requested table follows. Please note that there are no new positions at the GS-14 and higher levels projected for FY 1988.

DETAIL OF PERMANENT POSITIONS

59-0200-0-1-503	1986* actual	1987 estimate	1988 estimate
Executive Level III	1	1	1
Subtotal	1	1	1
ES-4	1	1	1
ES-3	1	1	1
ES-2	2	2	2
ES-1	2	2	2
Subtotal	6	6	6
GS/GM-15	17	17	17
GS/GM-14	21	21	21
GS/GM-13	31	31	31
GS-12	32	32	32
GS-11	19	19	19
GS-10	2	2	2
GS- 9	18	18	18
GS- 8	5	5	5
GS- 7	34	34	34
GS- 6	25	25	25
GS- 5	24	24	24
GS- 4	12	12	12
GS- 3	6	6	6
GS- 2	3	3	3
Subtotal	249	249	249
Total permanent positions	256	256	256
Unfilled positions, end of year	-18	-12	-12
Total permanent employment, end of year	238	244	244

*As of January 3, 1987

Consultant Costs

Question: For the record, please provide a list of consultants for the past three years and the amount received by each consultant.

Answer: The Endowment contracted for the following analytical studies and expert advice:

FY 1984

Name	Amount	Purpose
Abrams, Richard	$ 100	Consultant services in review of Samuel Gompers papers.
Conley, Laurence	400	Consultant services to the Challenge Grants program.
Harbaugh, William	100	Consultant services in review of Samuel Gompers papers.
Huber, Richard	32,440	Conduct research and advise on ways to expand public sector support of humanities programming, particularly in the Media program.
Katz, Stephanie	11,710	Consultant to the Education Division's Elementary and Secondary Schools program.
Patt, Beatrice	22,500	Evaluate Younger Scholars and Youth Projects programs.
Phelan, Joseph	17,708	Consultant to the Office of the Bicentennial of the U. S. Constitution.
Stoner, Lynn	390	Consultant services in reviewing Independent Study and Research program applications.

FY 1985

Name	Amount	Purpose
Harrigan, Robert	$ 270	To provide technical expertise and quality control to the U.S. Newspaper program.
Hart, George D.	1,645	To consult with the Chairman, Endowment staff, and Council members regarding Endowment policies and procedures.

Huber, Richard M.	30,440	To conduct research and advise on ways to expand public sector support of humanities programming, particularly in the Media program.
Maher, William J.	477	To consult with Council members and staff on the reorganization of the Research Division and on revised guidelines for the Access program.
McDowell, Gary	1,874	To provide advice and assistance on the development of the agency's initiative on the Bicentennial of the U.S. Constitution.
McGill, William	22,215	To advise on ways to achieve greater effectiveness in the Endowment's Education programs.
Patt, Beatrice	14,875	To evaluate the Younger Scholars program and address policy issues raised by the National Council.
Raymond, Andrew	77	To provide technical expertise and quality control to the U.S. Newspaper program.
Research Communications	18,700	To evaluate two media projects and advise the agency on their effectiveness.
Schreiber, Susan	5,625	To conduct an evaluation of the support for interpretive skills workshops in the Museums and Historical Organizations program.
Skeels, Marilyn	2,660	To review the state councils "National Information Management Project".

FY 1986

Name	Amount	Purpose
Kopff, Christian	$ 270	Consultant to the National Council on the Humanities.
Management Consultant to the Arts, Inc.	1,275	Advise Media program.
McGill, William	22,215	Advise on ways to achieve greater effectiveness in the NEH Education programs.

In addition to the above, we also seek advice each year from (1) several thousand persons who donate their services as expert reviewers of the applications we receive, (2) 1,000 to 1,200 panelists, (3) the 26 members of the National Council on the Humanities, and (4) site visitors who review and evaluate NEH projects and grantees. (See the Endowment's Eighteenth, Nineteenth, and Twentieth Annual Reports for a listing of panelists and council members.)

	FY 1984		FY 1985		FY 1986	
	No.	Cost	No.	Cost	No.	Cost
Panelists	1,167	$622,000	1,143	$578,200	1,060	$501,200
Council Members	26	85,000	26	83,600	26	83,600
Site Visitors	15	10,200	20	17,800	23	13,500

Administrative Contracts

Question: How much does the FY 1988 budget request for administrative contracts?

Answer: NEH requests $2,413,000 in FY 1988 for contractual services -- OMB object classification 25.0:

Intergovermental Personnel Act contracts	$625,000
Panelist contracts	610,000
Humanities Studies	600,000
President's Committee on the Arts and the Humanities	120,000
ADP software development and maintenance charges for owned equipment	185,000
Security guard service at the Old Post Office Building	48,000
Numerous miscellaneous administrative service contracts for such things as site visits, payroll services, employee health care services (IRS), employee training, managing the Jefferson Lecture, writing fees for agency publication Humanities, clipping and mailing services, advertising, alterations to office space, etc.	225,000
Total	$2,413,000

Question: Please provide for the record, for each of the past three years, a list of administrative contracts funded by your agency, including the recipient's name and address, amount, and the purpose of the contract.

Answer: Provided below are the names and addresses of administrative contractors who received $1,000 or more in any of the

last three fiscal years. In addition to these contractors, there are many others each year who receive less than $1,000. We have grouped these smaller contractors together and indicated the cumulative amount of funds obligated during the year for their services. The information below excludes consultants and Intergovernmental Personnel contracts, which are detailed elsewhere in the hearing record.

Administrative Contracts

FY 1986

Recipient/Address	Purpose	Amount
Teachers College Columbia University NYC, NY	Study to assess high school students' knowledge of American history and Western literature	$173,400
National Science Foundation 1800 G Street, N.W. Washington, D.C.	Study to provide information on all new humanities Ph.D.'s awarded in the U.S.	101,000
National Endowment for the Arts Washington, D.C.	NEH share of the costs for President's Committee on the Arts and Humanities	97,000
National Science Foundation 1800 G Street, N.W. Washington, D.C.	Study to monitor career patterns of humanities Ph.D.'s	65,000
General Services Administration Washington, D.C.	Security guard service at the Old Post Office	45,900
Wang Laboratories 7500 Old Georgetown Road Bethesda, MD	Maintenance of owned ADP equipment	33,800
Carrignan Electric Corp. 2511 Gittings Court Waldorf, MD	Installation and cabling for ADP equipment	32,900
Party Politics 1255 23rd St. N.W. Washington, D.C.	Manage 1986 Jefferson Lecture	25,000
Anchor Services Workshops 804 Rhode Island Ave., N.E. Washington, D.C.	Mailing services	20,050
Internal Revenue Service Washington, D.C.	NEH employee health care services	19,900
Commercial Office Environment 9760 George Palmer Highway Lanham, MD	Alteration of office space	16,612

National Science Foundation 1800 G Street, N.W. Washington, D.C.	Support for Higher Education Surveys	16,000
General Services Administration Kansas City, KS	Automated payroll services	14,600
Chronicle of Higher Education 1255 23rd Street. N.W. Washington, D.C.	Classified advertising for NEH positions	11,681
PCS Mailing List Co. 125 Main Street Peabody, MA	Mailing lists and mailing labels	10,097
General Services Administration Washington, D.C.	Painting, electrical, carpentry and signage services on doors and directories	9,200
CMIS Corporation 8298-B Old Court House Road Vienna, VA	ADP programming services	8,640
AT & T 1100 Wayne Avenue Silver Spring, MD	Telephone installation and maintenance	7,015
Burrelle's Information Service 75 E. Northfield Avenue Livingston, N.J.	Newspaper and magazine clipping services	7,000
Office of Personnel Management Washington, DC	Employee training	6,445
Intec Group, Inc. 10137 Walnut Wood Court Burke, VA	Space planning and design	6,000
Lesko Associates, Inc. 1696 31st Street, N.W. Washington, D.C.	Assist in administering Education Division grants	5,761
Mead Corp P.O. Box 100176 Atlanta, GA	Lexis/Nexis (computerized data bases)	5,700
Office of Personnel Management Washington, D.C.	Investigations (4) of SES employees	5,100
Susan Lenderking 3239 Klingle Road, N.W. Washington, D.C.	Manage 1985 Jefferson Lecture	4,421
Chronicle of Higher Education 1255 23rd Street, N.W. Washington, D.C.	NEH program advertising	4,009

COPE 525 School St. S.W. Washington, D.C.	Employee training and counseling	3,741
Caltech Typewriter Co. P.O. Box 32345 Washington, D.C.	Typewriter repair	3,456
Eureka Van & Storage 13843 Redskin Drive Herndon, VA	Alteration of office space	3,283
General Services Administration Washington, DC	Employee training	3,250
Black Issues in Higher Education 4002 University Drive Fairfax, VA	Classified advertising for NEH positions	2,640
Xerox Corporation 1616 N. Fort Myer Drive Arlington, VA	Copying equipment maintenance	1,920
Press Relation Wire 1301 Pennsylvania Ave, N.W. Washington, D.C.	Electronic transfer of speeches to the media	1,895
Library of Congress Washington, D.C.	NEH Library research	1,740
U.S. Department of Agriculture Washington, DC	Employee training	1,724
Wilson Gill, Inc. 1122 9th Street, N.W. Washington, D.C.	Audio visual services	1,706
IBM Corporation 1755 Jeff. Davis Highway Arlington, VA	Typewriter repair and maintenance	1,641
Hauss Gallery 1511 H Street N.W. Washington, D.C.	Framing, posters	1,634
Public Broadcasting Service 1320 Braddock Road Alexandria, VA	Rating survey and demographic breakdown of 2 NEH television programs	1,500
U.S. Treasury Dept. Washington, D.C.	Service fees for on-line reporting	1,400
Computer Control Corp. 4720 Montgomery Lane Bethesda, MD	Data processing charges	1,360

Eberlin Reporting Service 12708 Valleywood Drive Wheaton, MD	Recording and transcribing NEH Council meetings	1,263
National Federation of State Humanities Councils 12 South 6th Street Minneapolis, MN	Registration fees at national meetings	1,235
Rudolph Vetter 2225 No. Early Street Alexandria, VA	Photo services	1,141
Image 1919 Pennsylvania Ave., N.W. Washington, D.C.	Photo services	1,137
U.S. Health & Human Services Washington, D.C.	Fees for auditing NEH grantees	1,000
Various (131)		33,554

FY 1985

Recipient/Address	Purpose	Amount
CMIS Corporation 8298-B Old Court House Rd. Vienna, VA	ADP software development	$124,980
National Science Foundation 1800 G Street, NW Washington, DC	Study to monitor career patterns of humanities Ph.D.'s	121,900
Teachers College Columbia University New York, NY	Study to assess high school students' knowledge of American history and Western literature	115,896
National Endowment for the Arts Washington, DC	NEH share of the costs for President's Committee on the Arts and Humanities	109,000
National Science Foundation 1800 G Street, NW Washington, DC	Study to provide information on all new humanities Ph.D.'s awarded in the U.S.	100,000
Research Foundation of CUNY for Queens College Flushing, NY	Study of the humanities in the schools of the U.S.A. and other countries	99,274
E.H. White and Company 1025 Vermont Ave., NW Washington, DC	Description and analysis of the role of humanities programs in exemplary secondary schools	82,544

National Science Foundation 1800 G Street, NW Washington, DC	Support for Higher Education Surveys	80,000
African American Museums Assoc. 420 Seventh St., NW Washington, DC	Study of black museums and historical organizations in the United States.	76,729
Bureau of Social Science Research, Inc. 1990 M Street, NW Washington, DC	Study of career patterns of graduates in the humanities and other fields	44,911
General Services Administration Washington, DC	Security guard services at the Old Post Office	40,900
Judith Neiman 306 N. Street, NW Washington, DC	Assist in production of Humanities publication	34,581
Wang Laboratories 7500 Old Georgetown Rd. Bethesda, MD	Maintenance of owned ADP equipment	30,400
Susan Lenderking 3239 Klingle Rd., NW Washington, DC	Manage Jefferson Lecture	30,160
General Services Administration Kansas City, KS	Automated payroll services	26,200
Marian Brazziel Associates Beech Mountain Rd. Mansfield Center, CT	A study of patterns of graduate study in the humanities by black students	24,455
Lesko Associates 1696 31st St., NW Washington, DC	Assist in administering Education Division grants	23,854
Internal Revenue Service Washington, DC	NEH employee health care services	18,700
Mail Advertising Services 300 Northstone Ave. Rockville, MD	Mailing services	14,215
Commercial Office Environment 9760 George Palmer Highway Lanham, MD	Alteration of office space	10,918
Newcombe Electric Co. 2501 Crain Highway S. Bowie, MD	Electric cabling for ADP	9,239
Blackwell Corporation 11 DuPont Circle Washington, DC	Creation and production of underwriting credit for NEH sponsored projects.	8,710

AT&T 1100 Wayne Ave. Silver Spring, MD	Telephone installation and maintainence	8,004
Anchor Services Workshop 804 Rhode Island Ave., NE Washington, DC	Mailing services	7,683
Chronicle of Higher Education 1255 23rd St., NW Washington, DC	Classified advertising for NEH positions	7,506
Dingle Associates 1625 I Street, NW Washington, DC	Complete work on the Chairman's "To Reclaim a Legacy" report.	7,229
Office of Personnel Management Washington, DC	Employee training	7,095
Burrelle's Information Service 75 E. Northfield Ave. Livingston, NJ	Newspaper and magazine clipping services	7,000
PCS Mailing List Co. 125 Main St. Peabody, MA	Mailing labels and mailing lists	6,245
Caltech Inc. P.O. Box 32345 Washington, DC	Typewriter repair and maintenance	6,000
General Services Administration Washington, DC	Alteration of office space	4,799
IBM Corporation 1755 Jeff Davis Highway Arlington, VA	Typewriter repair and maintenance	4,782
Mead Corporation P.O. Box 100176 Atlanta, GA	Lexis/Nexis (computerized data bases)	4,000
COPE 525 School St., SW Washington, DC	Employee training and counseling	3,624
General Services Administration Washington, DC	Employee training	3,030
U.S. Health and Human Services Washington, DC	Audit services on NEH grantees	2,500
Galludet College Washington, DC	Employee training	2,414
University of South Carolina Columbia, SC	Employee training	2,225

Press Relations, Inc. 1301 Pennsylvania Ave., NW Washington, DC	Press releases to the media	2,195
Barbara Ashbrook 5250 Valley Forge Dr. Alexandria, VA	Assist in administering Education Division grants	2,122
Chronicle of Higher Education 1255 23rd St., NW Washington, DC	Program advertising	1,940
Edward Erler 539 W. 9th St. Claremont, CA	Assist the Bicentennial program	1,935
Xerox Corp. 1616 N. Ft. Myer Dr. Arlington, VA	Repair and maintenance of copying equipment	1,922
Computer Control Corp. 4720 Montgomery Lane Bethesda, MD	Data processing charges	1,537
Eureka Van & Storage Co. 13843 Redskin Drive Herndon, VA	Alteration of office space	1,500
Office of Personnel Management Washington, DC	Personnel investigation	1,375
SCM Corporation 6602 Little River Turnpike Alexandria, VA	Typewriter maintenance and repair	1,335
Eberlin Reporting Service 12708 Valleywood Drive Wheaton, MD	Recording & transcribing NEH Council meetings	1,319
Wilson, Gill Inc. 1122 9th St., NW Washington, DC	Audio/visual services	1,238
Hoppman Corp. 14560 Lee Road Chantilly, VA	Audio/visual services	1,189
U.S. Treasury Dept. Washington, DC	Service fees for on-line reporting	1,100
Various (127)		33,962

FY 1984

Recipient/Address	Purpose	Amount
CMIS Corporation 8298-B Old Courthouse Rd. Vienna, VA	ADP software development	$125,000
National Endowment for the Arts Washington, DC	NEH share of the costs for President's Committee on the Arts and Humanities	112,000
General Services Administration Washington, DC	Security guard service at the Old Post Office	39,600
Judith Neiman 306 N Street, NW Washington, DC	Assist in production of Humanities publication	33,745
Barbara Ashbrook 5250 Valley Forge Dr. Alexandria, VA	Assist in administering Education Division grants	33,172
Mail Advertising Services, Inc. 300 Northstone Avenue Rockville, MD	Mailing services	31,455
Susan Lenderking 3239 Klingle Rd., NW Washington, DC	Manage Jefferson Lecture	30,805
General Services Administration Kansas City, KS	NEH payroll services	21,300
Newcombe Electric Inc. 2501 Crain Highway S. Bowie, MD	Alteration of office space	20,499
Wang Laboratories 7500 Old Georgetown Rd. Bethesda, MD	Maintenance of owned ADP equipment	20,366
Internal Revenue Service Washington, DC	NEH employee health care services	16,800
Northern Virginia Remodeling 8512 Wagon Wheel Alexandria, VA	Alteration of office space	14,941
General Services Administration Washington, DC	Alteration of office space	13,450
PCS Mailing List Co. 125 Main Street Peabody, MA	Labels and lists	11,743
Commercial Office Environment 9760 George Palmer Highway Lanham, MD	Alteration of office space	11,025

Robert W. Disch & Associates 1350 Okie St., NE Washington, DC	Design and construction of display modules (5)	9,438
Edward Erler 539 W. 9th St. Claremont, CA	Assist the Bicentennial program	9,400
Office of Personnel Management Washington, DC	Employee training	8,315
U.S. Health & Human Services Washington, DC	Audit services on NEH grantees	7,500
Mark Hingston 2800 Quebec St., NW Washington, DC	Assist the Bicentennial program and New Hampshire Humanities Council	6,761
Standard Typewriter & Equipment Co. 1528 K Street, NW Washington, DC	Repairs to typewriters	6,375
Word Systems Inc. 111 South Bedford St. Burlington, MA	Employee training	5,688
Mead Corporation P.O. Box 100176 Atlanta, GA	Lexis/Nexis (computerized data bases)	5,600
Chronicle of Higher Education 1255 23rd St., NW Washington, DC	Classified advertising for NEH positions	5,410
IBM Corporation 1755 Jeff Davis Highway Arlington, VA	Repair and maintenance of typewriters	4,560
Burrelle's Information Service 75 E. Northfield Ave. Lexington, NJ	Newspaper and magazine clipping services	4,400
Caltech Inc. P.O. Box 32345 Washington, DC	Maintenance on IBM typewriters	2,125
Chronicle of Higher Education 1255 23rd St., NW Washington, DC	Program advertising	1,676
Wilson Gill Inc. 1122 9th St., NW Washington, DC	Audio/visual services	1,603
Computer Control Corporation 4720 Montgomery Lane Bethesda, MD	Data processing services	1,600

Amy Levine 4600 Connecticut Ave., NW Washington, DC	Assist Summer Seminars program	1,517
Eberlin Reporting Service 12708 Valleywood Dr. Wheaton, MD	Recording & transcribing NEH Council meetings	1,458
COPE 525 School St., SW Washington, DC	Employee training and counseling	1,305
Yardstick Interiors 3269 M St., NW Washington, DC	Fabric and installation of draperies in conference room	1,160
Maryland Life Line 3110 Frederick Ave. Baltimore, MD	CPR training material	1,121
General Services Administration Washington, DC	Employee training	1,105
James H. Nichols Claremont, CA	Assist the Bicentennial program	1,025
Various (132)		36,621

Average Cost of Positions

Question: Page 69 of the justification indicates a total of 255 full time equivalent positions contemplated for FY 1988. On page 68, the budget indicates a cost of $8,246,000 for total personnel compensation. If my calculations are correct, this amounts to an average salary of $32,337 per employee. Please provide for the record the average grade and salary for the past five years.

Answer: The figure you have calculated is the average Full-Time Equivalency (FTE) cost, not the average NEH salary. The average FTE cost includes all items within the personnel compensation object classification, not only base salaries of all employees (part-time, temporary, full-time, Senior Executive Service, and Executive Level), but also overtime, performance awards, terminal leave payments, and salary payments to the National Council on the Humanities.

The requested information is shown below.

	Full-time GS/GM Average Grade*	Average FTE Cost
FY 1986	9.43	$30,988
FY 1985	9.52	29,636
FY 1984	9.45	28,980
FY 1983	9.42	27,801
FY 1982	9.32	26,754

* Data for part-time and temporary employees are not available. Also excludes Executive Level and SES positions because "grade" refers to GS/GM employees.

The Office of Personnel Management (OPM) compiles average salary and average grade data for full-time GS/GM employees, which account for most federal employees and federal salary costs. (Data on the average salary and average grade of all types of employees, including part-timers, temporary, and those in the Senior Executive Service and the Executive Level are not maintained.) NEH's average grade of 9.43 for its full-time GS/GM employees is better than the average of the total 237,000 full-time GS/GM federal employees in the Washington D.C. area, 9.83. As to average salary, we were six percent below the average for this area: NEH's average salary was $29,958 in FY 1986, compared to the $31,970 D.C. area average. Considering the highly professional nature of NEH's work, we think our employee costs compare quite favorably with other federal agencies.

Question: We note that the average cost per employee is nearly six percent less at the National Endowment of the Arts. While the subcommittee does not expect the figures to be exactly the same for the two agencies, is there any explanation for the difference?

Answer: Calculating NEA's employee cost the same way as you have done for NEH (which is a calculation of average FTE cost rather than average employee salary) results in an average FTE cost of $33,488 at NEA -- $8,640,000 in total personnel compensation divided by 258 full-time equivalencies. Therefore, NEH's average FTE cost of $32,337 is actually 3.4 percent less than NEA's, not six percent more.

Outstanding Student Loans

Question: At last year's hearings, the matter of withholding support to potential recipients with delinquent Federal education loans was discussed. Please update the subcommittee on the matter.

Answer: Last year we informed the Congress that, in accordance with OMB guidance under the Debt Collection Act of 1982 and other statutes, the Endowment would not award grants or fellowships to applicants who were delinquent on federally backed student loans. In November of 1986, in keeping with the statutory and regulatory directives, the Endowment's policy was broadened to include all federally backed loans -- individual or institutional.

To date, we have turned down three applicants. But, more significantly, many applicants have cleared up their loan delinquency status as a result of our policy. This was one of our aims: to draw attention to the problem and to provide an incentive for applicants to clear any outstanding federal debts prior to seeking additional federal grant monies.

Percentage of Applications Funded

Question: What percentage of each category grant applications is funded by the Endowment? What has been the trend over the years? Please provide the percentages, by category, for each of the last five years.

Answer: Although funding patterns vary among programs, the Endowment in recent years has consistently supported about one in four applications.

The Endowment maintains data on application funding ratios according to the funding recommendations of the National Council on the Humanities. The information for the last five years, FY 1982-FY 1986, follows.

Percentage of Applications Recommended by the National Council on the Humanities
FY 1986

DIVISION	Percentage Recommended %
Education Programs	
Humanities Instruction in Elementary and Secondary Schools	40
Exemplary Projects and Humanities Programs for Nontraditional Learners	40
Central Disciplines in Undergraduate Education	34
TOTAL	38
Fellowships and Seminars Programs	
National Endowment for the Humanities Fellowships	
Fellowships for Independent Study and Research	16
Fellowships for College Teachers	17
Summer Stipends	16
Travel to Collections	51
Younger Scholars	17
Summer Seminars	
College Teachers	37
Secondary School Teachers	30
TOTAL	23

DIVISION	Percentage Recommended %
General Programs	
Humanities Projects in Media	16
Humanities Projects in Museums and Historical Organizations	22
Youth Projects	18
Public Humanities Projects	17
Humanities Projects in Libraries	35
TOTAL	20
Research Programs	
Texts	
Editions	46
Translations	26
Publication Subvention	43
Reference Materials	
Tools	33
Access	25
Interpretive Research	
Projects	19
Humanities, Science and Technology	26
Regrants	
Conferences	25
Centers for Advanced Study	100
International	100
Regrants in Selected Areas	100
TOTAL	30
State Programs	83
Office of Preservation	48
Challenge Grants	17
GRAND TOTAL	25

FY 1985

Education Programs	
Humanities Instruction in Elementary and Secondary Schools	27
Exemplary Projects and Humanities Programs for Nontraditional Learners	36
Central Disciplines in Undergraduate Education	38
TOTAL	33

DIVISION	Percentage Recommended %
Fellowships and Seminars Programs	
National Endowment for the Humanities Fellowships	
Fellowships for Independent Study and Research	13
Fellowships for College Teachers	14
Summer Stipends	16
Travel to Collections	52
Summer Seminars	
College Teachers	43
Secondary School Teachers	33
TOTAL	23
General Programs	
Humanities Projects in Media	20
Humanities Projects in Museums and Historical Organizations	27
Youth Projects	21
Younger Scholars	24
Public Humanities Projects	33
Humanities Projects in Libraries	53
TOTAL	26
Research Programs	
Texts	
Editions	27
Translations	25
Publication Subvention	52
Reference Materials	
Tools	34
Access	22
Interpretive Research	
Projects	21
Humanities, Science and Technology	9
Regrants	
Conferences	25
Centers for Advanced Study	87
International	100
Regrants in Selected Areas	100
TOTAL	27
State Programs	80
Humanities Studies	8
Challenge Grants	28
GRAND TOTAL	25

FY 1984

DIVISION	Percentage Recommended %
Education Programs	
Humanities Instruction in Elementary and Secondary Schools	35
Exemplary Projects and Humanities Programs for Nontraditional Learners	40
Central Disciplines in Undergraduate Education	43
TOTAL	40
Fellowships and Seminars Programs	
National Endowment for the Humanities Fellowships	
Fellowships for Independent Study and Research	12
Fellowships for College Teachers	18
Summer Stipends	14
Summer Seminars	
College Teachers	34
Secondary School Teachers	24
Undergraduate Fellows in the Humanities	100
Fellowships at Centers for Advanced Study	80
TOTAl	16
Research Programs	
Basic Research	
Project Research	32
Intercultural Research	83
Humanities, Science and Technology	28
Research Conferences	35
Travel to Collections	55
Research Materials	
Reseach Tools	44
Editions	56
Translations	34
Research Resources	
Access	37
Preservation Projects	80
Publications	68
TOTAL	47

DIVISION	Percentage Recommended %
General Programs	
Humanities Projects in Media	18
Humanities Projects in Museums and Historical Organizations	32
Special Projects	
Humanities Progams for Youth	19
Humanities Projects for Adults	34
Humanities Projects in Libraries	55
TOTAL	25
State Programs	85
Planning and Assessment Studies	27
Challenge Grants	35
GRAND TOTAL	28

FY 1983

Education Programs	
Humanities Instruction in Elementary and Secondary Schools	39
Exemplary Projects and Humanities Programs for Nontraditional Learners	36
Central Disciplines in Undergraduate Education	38
TOTAL	38
Fellowships and Seminars Programs	
National Endowment for the Humanities Fellowships	
Fellowships for Independent Study and Research	12
Fellowships for College Teachers	17
Summer Stipends	17
Summer Seminars	
College Teachers	30
Secondary School Teachers	59
Fellowships at Centers for Advanced Study	90
TOTAL	18

DIVISION	Percentage Recommended %
Research Programs	
Basic Research	
Project Research	34
Regional Studies	35
Intercultural Research	100
Humanities, Science and Technology	86
Research Conferences	47
Research Materials	
Reseach Tools	49
Editions	58
Translations	41
Research Resources	
Access	35
Preservation Projects	75
Publications	58
TOTAL	45
General Programs	
Humanities Projects in Media	20
Humanities Projects in Museums and Historical Organizations	33
Special Projects	
Humanities Programs for Youth	20
Humanities Programs for Adults	30
Humanities Projects in Libraries	46
TOTAL	27
State Programs	92
Planning and Assessment Studies	23
Challenge Grants	34
GRAND TOTAL	27

FY 1982

Education Programs	
Elementary and Secondary Education	22
Higher Education/Regional and National Grants	33
Higher Education/Individual Institutions	
Consultant Grants	74
Pilot Grants	29
Implementation Grants	37
TOTAL	32

DIVISION	Percentage Recommended %
Fellowships and Seminars Programs	
National Endowment for the Humanities Fellowships	
Fellowships for Independent Study and Research	12
Fellowships for College Teachers	20
Regrant Programs	100
Summer Stipends	21
Summer Seminars for College Teachers	38
Summer Seminars for Secondary School Teachers	100
Fellowships at Centers for Advanced Study	71
Fellowships and Seminars for the Professions	100
TOTAL	20
Research Programs	
General Research	
Basic Research	40
Intercultural Research	100
Regional Studies	23
Research Conferences	39
Humanities, Science and Technology	96
Research Materials	
Research Tools	48
Editions	55
Translations	40
Publications	64
Research Resources	
Organization and Improvement Projects	44
Conservation and Preservation Projects	50
TOTAL	46
General Programs	
Media	17
Museums	35
Special Projects	
Youth Programs	14
Libraries	33
Program Development	17
TOTAL	19

DIVISION	Percentage Recommended %
State Programs	77
Planning and Assessment Studies	35
Challenge Grants	--
GRAND TOTAL	26

Question: What are you doing to stimulate even more competition so that even better grants are apt to be funded?

Answer: The Endowment actively encourages all qualified individuals, organizations, and institutions interested in seeking NEH support for a project in the humanities to apply for a grant. NEH program guidelines and application deadlines are circulated regularly and widely within the education community and among other interested groups, such as film producers and library and museum administrators. The Endowment is currently conducting an extensive outreach effort, the "Access to Excellence" program, to insure that potential applicants in rural, urban, and minority communities -- where our grant programs may not be well-known -- have a chance to become acquainted with the funding opportunities that we offer.

Question: Is it possible for grants to go to the same individual or organization year after year? If so, what percent of your awardees, for each of the last five years, received a grant two years running, and what percent received grants three years, or more, in a row? What percent of your grant funding, in each of the last five years was awarded to the same grantee two years in succession, and what percent for three of more years in a row?

Answer: The range of grantees and the frequency of repeat awards vary greatly among Endowment programs. At one extreme, an individual can never receive more than one Younger Scholar grant. In the Challenge Grants program, an institution may apply for a second grant but it must meet more stringent criteria than a first-time applicant. No institution may receive a third Challenge Grant. At the other extreme are the 53 state humanities councils, which are awarded funding every year.

More than half of the Endowment's grants are awarded to individuals, however, and individuals very seldom receive consecutive-year funding. Although awards were made to 1,127 individuals in FY 1986, only 31 persons (3 percent) had also been awarded a grant in FY 1985, and only 4 persons (.4 percent) were grantees in FY 1984 as well. Funds awarded to individuals totalled $9,244,119 in FY 1986, of which $321,982 (3 percent) went to persons who were also grantees in FY 1985, and $4,500 (.05 percent) went to persons who received funding in each of the three years.

Many organizations receive NEH funding two or more years in a row, but different projects and personnel are usually involved. For example, in 1985 Bethany College in Bethany, West Virginia received

a grant from our Education Division to support a curricular reform program. In 1986, Bethany College was awarded funds from our Research Division for an editing project. Two grants were awarded to Bethany Collge, two years in a row, but the NEH programs, the grantee projects, and the project personnel were all different.

As a result, it is understandable that, of the 506 organizations that received at least one grant during FY 1986, 204 (40 percent) also received one or more grants in FY 1985, and 135 (27 percent) received grants in FY 1984 as well. Of the $109,977,690 awarded to organizations in FY 1986, $41,517,236 (38 percent) went to the recipients of grants in both FY 1986 and FY 1985, and $34,042,040 (31 percent) went to the recipients of funding in all three years.

(Although the Endowment's computer data would permit a similar comparison of FY 1985 and FY 1984 obligations with funding in the two previous years, only the FY 1986 - FY 1984 comparison is provided. Calculating such figures is a formidable undertaking, and we believe that the funding patterns disclosed would be substantially the same no matter which years are examined. However, should the Committee request it, additional data will be provided.)

Planning

Question: How does your five year planning process impact on your program?

Does this effort help identify trends and allow the Endowment to alter its policies to cope with emerging trends, such as increased private and state funding for the humanities and the probable impact of the recent tax changes on private donations? Please elaborate for the record.

Please indicate for the record how the Endowment's five year plan can and will be used to address the Committee's concerns about the disproportionately large share of grants and funding being received by applicants from the large states.

Answer: Instead of a five-year plan, NEH uses a variety of means to conduct long- and short-range planning for the agency's programs.

The Endowment's chairman and senior staff formulate broadly-stated institutional goals for the agency. These goals are then translated into specific programmatic emphases among the various funding divisions of the Endowment. To inform this planning process, a comprehensive analysis of the state of the humanities is conducted on an ongoing basis. Each year we fund a variety of surveys and analytical studies that provide us with important data about humanities scholarship, education, and public programming. This research is undertaken to gain a better understanding of the forces at work in each of these sectors, thus making it possible to anticipate and react to the changing circumstances of individuals and organizations working in the humanities. The research also

enables us to measure our progress in attaining our institutional and programmatic goals.

The importance of data collection to our planning function was underscored in our 1985 reauthorization legislation, which directed us to use the results of these projects to report biennially on the state of the humanities. The first report is due to Congress in the fall of 1988, and we anticipate that the preparation of this and future reports will contribute substantially to our long-range planning activities.

A key component of our data collection plan is a financial monitoring system that will provide us with information about the level of non-federal support for the humanities. Recent changes in the tax code may affect the nature and level of such support, and to monitor these and other financial trends we will be working with the Independent Sector and the American Association of Fund-Raising Counsel to obtain information specific to the humanities.

The Endowment's short-term planning activities fall into three broad categories: application review, program review, and program and project evaluation.

1. The process of reviewing applications affords us the opportunity to hear from reviewers, panelists, and Council members about the efficacy of our programs. At each stage of this process we receive a steady stream of commentary (both solicited and unsolicited) about the ability of our programs to accomplish their intended aims. These comments form the backdrop for the programs' ongoing policy deliberations. The quality and clarity of applications can also provide a signal as to whether a program is articulating its goals clearly and, if not, what revisions may be in order.

2. Each spring we conduct a full-scale review of each of our funding programs. As part of these program reviews we ask each division to reflect upon its goals and the means it has in place to achieve those goals. Using the specific experiences of the previous year, combined with the collective wisdom of the staff, new emphases are suggested and modifications to current practices are recommended.

3. The processes of program and project evaluation often provide the impetus for changes in program philosophy or operations. Almost all of our grantees are required to submit a final report on their projects, and from these reports we glean useful information about the effectiveness of our programs. Evaluations of NEH programs, conducted on an as-needed basis either by NEH staff or by outside contractors, provide a more general assessment of the aims and accomplishments of particular NEH programs. The recommendations contained in this type of evaluation report run the gamut from minor tinkering to wholesale changes in program emphases.

Taken together, these processes provide a comprehensive strategy for reviewing and revising existing NEH programs and for implementing new ones. Outside expertise is combined with in-house experience to chart the short- and long-term course of the agency.

The Committee's concerns about the geographic distribution of grants and funding are being addressed in two ways:

1. Last year, following an analysis of application and grant data for the last four years, we issued a directive to program staff asking that they focus their travel plans on those regions of the country that had been less likely to apply for support -- the South, the Midwest/Great Plains, the Mountain West, and the Southwest. We will continue to review application and grant data to inform our outreach efforts.

2. In 1986 the Endowment also developed and put in place an "Access to Excellence" program to emphasize NEH's continuing commitment to make its programs in the humanities available to citizens in rural, urban, tribal, and minority communities. The program's outreach efforts are designed to assist those groups who have neither applied for nor received NEH funding in great numbers.

Specific "Access to Excellence" activities that promote NEH programs among smaller institutions and communities include:

-- Travel by the program coordinator to make presentations about NEH programs and about the application and review processes.

-- Consultation and collaboration with various professional organizations and government agencies that can assist in disseminating information and developing travel itineraries.

-- Technical assistance to individuals and institutions who are unfamiliar with NEH and its funding programs.

All of our outreach efforts are designed to introduce prospective applicants to the full range of funding opportunities available at the Endowment and to familiarize them with the application process.

Administrative Costs

Question: What actions are you taking to hold down administrative costs?

What factors are driving up administrative costs, such as increased federal per diem costs, and what can be done to control such administrative costs increases?

Answer: It is true that in terms of absolute dollars, our administrative budget has grown. Most of this growth, however, has been the result of bookkeeping or price changes and does not represent a real increase in terms of the actual resources required to administer the agency's programs. Although we make every attempt to adapt to changing situations, there is not much NEH can do to control the increases in these administrative costs because they are beyond our control. For example:

-- The new Federal Employees' Retirement System (FERS) will add significantly to our administrative costs in FY 1987 and FY 1988 as individual agencies must now pay the full estimated

retirement costs for its employees. Compared to FY 1986, FERS will add an estimated $226,000 to the administrative budget in FY 1987 and $611,000 in FY 1988.

-- There was a three percent federal pay raise that took effect last January adding $199,000 to the administrative budget for FY 1987 and $279,000 for FY 1988, when compared to FY 1986.

-- GSA has informed us that they are raising our rent in FY 1988 by $225,000 above the FY 1987 rate. We are not acquiring additional office space.

-- The increased per diem costs (from a maximum of $75 a day to a maximum of $126 a day) that took effect in July 1986 added 12 to 15 percent to our costs for staff and council travel and to panelist and site visitor contracts.

During FY 1986, because of the Gramm-Rudman-Hollings reduction, we sharply curtailed contractual services, particularly for Humanities Studies, and our staffing levels were lower than anticipated. The FY 1987 and FY 1988 budgets restore us to the pre-GRH level.

As I note in the FY 1988 budget document, we are mindful of the need to reduce overhead costs wherever possible, and we continue to stress this priority to all of our program and office heads. As a result, we are able to achieve significant management improvements each year. (Please refer to page 78 of the budget justification for a discussion of some of the most significant management improvements made in FY 1986.) These improvements, particularly to our automated systems, enable us to handle increasing workloads without a commensurate increase in costs. At NEH we are quite proud of the fact that our staffing has been reduced by 14 percent since 1980.

FY 1988 Funding

Question: Describe the planning process used to determine reductions for 1988 by appropriation and by program.

Answer: The level of funding NEH requests for each of its programs results from an exhaustive planning and review process. Each spring the Endowment begins the drafting of its next budget submission to OMB with a thorough analysis of all of the agency's programs. The Chairman initiates this process by inviting the directors of the Endowment's program divisions and offices to submit -- after consultations with their program staff -- a detailed memorandum highlighting the division's suggested plans, priorities, and initiatives for the fiscal year under review. The Chairman and other senior Endowment staff consider these proposals in conjunction with the agency-wide emphases that will be implemented. The Chairman then develops a paper, containing tentative program plans and preliminary budget allocations, that is presented to the National Council on the Humanities at its summer meeting. After the Chairman's plan and budget are given a thorough hearing by the Council, the final budget proposal is submitted to OMB. This planning process is comprehensive and designed to examine our programming goals and objectives, new initiatives or emphases, application and grant statistics, the capabilities of the field, the adequacy of the current program budget, and the quality of applications we are receiving. As we review our accomplishments and revise or

formulate new program goals, the budget level for each program is developed for the next fiscal year.

Question: Assuming a 1988 budget equivalent to 1987, how would you use the additional funds?

Answer: The budget request of $126.890 million for FY 1988 will permit the Endowment to continue to support significant humanities projects and programs throughout the nation. The influence that the Endowment has on the state of the humanities in the United States is not directly dependent upon the size of our budget. NEH is a goal-oriented agency -- we use our national stature to establish goals and objectives for humanities scholars, organizations, and institutions to strive to achieve. Our FY 1988 request will help us to continue this important work.

If a budget equivalent to the FY 1987 level is appropriated, however, we would prefer that it be distributed in accordance with the following table.

NATIONAL ENDOWMENT FOR THE HUMANITIES

FY 1988 Capability Budget - $138.490 million
($000)

Division	Amount
Education	$ 15,250
Fellowships	15,400
General	21,590
Research	16,500
State	20,000
Preservation	5,250
Challenge	17,000
Treasury	12,000
Administration	15,500
Total	$138,490

Reorganization of the Division of Education Programs

Question: You indicated that you reorganized your Division of Education Programs to make more efficient use of your resources and be more flexible and responsive to concerns and interests of applicants. How, specifically, has this change enhanced flexibility and responsiveness?

Answer: Because all higher education projects will be supported under one program, Humanities Instruction in Institutions of Higher Education, project proposals will be less likely to overlap grant categories. Exemplary Projects, Nontraditional Learners, and Central Disciplines will now become a single program. The three sub-programs of Central Disciplines will be discontinued as distinct funding categories.

Thus simplified, the program structure will be less prescriptive while retaining all of the basic goals of the division. Meritorious proposals that formerly might have straddled two or more of the higher education programs will now be evaluated under a more comprehensive set of guidelines and may now fare better in panel review as a result. Applicants will be freer to develop worthy project ideas without having to make them conform to one of several conventional categories. For example, a project to improve instruction in a particular field that also involved creation of a new introductory course would no longer fall between two categories within Central Disciplines.

Summer Seminars for Secondary School Teachers

Question: Your budget justification states that in FY 1988, the summer seminar program's impact will be widened by recruiting directors in disciplines and geographic areas that have not been included in previous seminars in great numbers. Would you provide more details on how you will do that?

Answer: As noted in the answer to an earlier question, the Endowment has embarked on an ambitious campaign to recruit seminar directors in disciplines and geographic areas that have not participated in the program in large numbers in the past. Our activities include promoting the program at various professional meetings, conferring with academic deans and administrators and encouraging their faculty members to apply, and traveling by NEH program staff to colleges and universities in selected states and regions to publicize the program and make contact with prospective seminar directors. These activities have started to pay off; the institutional diversity and geographic distribution of seminars in the secondary school teachers program have increased over the years. The 51 seminars scheduled for the summer of 1987, for example, will be held in 44 different institutions in 26 states -- 28 of the institutions and 9 of the states are different from those that housed the 1986 seminars.

Question: Your justification also says that in FY 1988 you will encourage a greater proportion of four- and five-week seminars to meet the needs of participants who cannot attend the longer six-week seminars. Isn't this change necessary to maintain FY 1987 levels of participation in the seminars in FY 1988 at the same time you cut funding for this program?

Answer: The move to encourage four- and five-week seminars derives entirely from the suggestions and concerns of past participants and our observations of application rates to seminars. Shorter seminars are simply more practical and more popular for

various reasons. For example, because of wide variations in the dates of the school year across the country, many teachers can attend only four-or five-week seminars. Also, for the majority of participants, attending a seminar means either being separated from family, or being together with family away from the conveniences and economies of home.

Question: Besides the Mellon Foundation grant of $1 million in 1984 and 1985 and the USIA's sponsorship of foreign participants in 1986, have the Summer Seminars for Secondary School Teachers received any funding besides NEH funding? Do you anticipate any additional private funding for this program?

Answer: The Mellon award was the only non-federal grant we have received for Summer Seminars for Secondary School Teachers. No additional non-federal funding for this program is anticipated. The USIA, however, has expressed interest in continuing its sponsorship of foreign participants in seminars in FY 1988. In the 1987 seminars there will be nineteen USIA-supported participants from nineteen different countries.

We would like to point out for the record that several states -- notably New York, Virginia, and Delaware -- have instituted programs at the state level that are modeled on the Endowment's secondary school teachers seminars.

Question: Would you support expansion of the Summer Seminar program to include elementary teachers?

Answer: Elementary school teachers are presently eligible to apply to seminars in this program. In 1983 and 1984, the first two years of the program, eligibility was restricted to full-time or regular part-time teachers in public, private, or parochial schools, grades 7 through 12. In 1985 three designated seminars were experimentally opened to principals and secondary school administrators. On the basis of their success and Endowment experience with other programs, eligibility has been broadened further by the following statement in program guidelines: "While seminars are designed primarily for full-time or regular part-time teachers at public, private, or parochial schools, grades 7 through 12, other school personnel, K-12, are also eligible to apply."

A few elementary school teachers participated in the 1986 seminars. We do not yet have complete information on the participants scheduled to attend this summer's seminars, but we expect more elementary school teachers to participate in response to the more liberal language of our guidelines.

Question: The budget justification states that in FY 1987, 180 applications from potential summer seminar directors and 55 awards are anticipated. Were there high quality applications that could not be funded because of funding limitations? You also state that in FY 1987 you anticipate 2,500 applications from teachers for 825 slots. Were qualified teachers turned away because of the scarcity of slots in the seminars? Is the current level of funding sufficient to serve all qualified teachers who are interested in participating?

Answer: The 55 awards we made in FY 1987 represented all of the high quality proposals we received; sufficient funds were available to support these seminars. To the best of our knowledge no qualified teachers have been denied participation in seminars. The current level of funding is sufficient to serve all qualified teachers who want to participate in the seminars.

INSTITUTE OF MUSEUM SERVICES

STATEMENT OF LOIS BURKE SHEPARD, DIRECTOR

PREPARED STATEMENT

Senator DECONCINI. The next subject for discussion is the Institute of Museum Services. Lois Burke Shepard is the presenter. The fiscal year 1988 budget request is $19,250,000, a reduction of $2 million below the fiscal year 1987 appropriation level to date.

Mrs. Shepard, your complete opening statement will be in the record. If you would you summarize your statement, that would be very helpful.

[The statement follows:]

STATEMENT OF LOIS BURKE SHEPARD

Mr. Chairman and members of the committee, thank you for the opportunity to appear before you today to present the administration's request for fiscal year 1988.

The Institute of Museum Services, celebrating its 10th anniversity this year, is requesting an appropriation of $19.25 million for fiscal year 1988. We believe that this figure represents a responsible balance between the realities of the Federal budget and the genuine needs of the constituency IMS serves.

As we are about to complete 10 years of funding, we now look forward to continued service to the museum field as well as fiscal responsibility to the American taxpayer.

We are pleased to submit a budget that we believe can achieve all of the major responsibilites of this agency while being fully cognizant of the acute need for all agencies to play a role in helping to reduce the Federal deficit.

As you are aware, IMS is the only Federal agency that provides general operating support for museums of all types (from art museums to zoos). While other agencies may support certain aspects of a museum's programs, IMS is the only agency to assist all aspects of a museum's operations and service to the public. It is the goal of this agency to continue to reward excellence.

IMS also takes very seriously the President's objective of encouraging increased private sector support for museums. Recipients of general operating support often report to IMS that their award has served as an important incentive to private individuals and private enterprise to contribute to those museums.

The funding priorities established by the National Museum Services Board for the Conservation Project Support Program are having a major positive impact on museums. The new funding priorities are designed to encourage long-range planning to meet overall museum conservation needs. The need for such planning was indicated both in the 1984 conservation survey conducted for IMS and by the panels of conservation professionals convened by IMS to evaluate applications to the program. Although this new phase of the conservation program has just begun, museums are already demonstrating an early and enthusiastic approval of the changes by submitting more applications than in any other year of the program. IMS looks forward to museums more effectively addressing their overall conservation needs and, therefore, being able to better care for the Nation's natural and cultural heritage.

IMS is also pleased to be able to continue supporting the MAP Program which provides management and collections care assessment for a wide variety of museums for a

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minimal cost. This program has proven to be a major step for many institutions in advancement toward more professional management practice.

All of the programs mentioned above are carried out by a very small and dedicated staff at IMS. With only 14 full-time employees, IMS processes thousands of grant applications every year and monitors nearly 1,000 active grants. Many staff hours are spent writing application guidelines, working with field reviewers, conducting panels, monitoring awards, speaking at association meetings, conducting grant writing workshops, and carrying out the day-to-day business of a Government agency.

The administrative budget submitted represents a minimal increase in fiscal year 1988, from the fiscal year 1987 level. Although the IMS will maintain its usual level of operating efficiency in fiscal year 1988, due at least in part to the IMS' interagency agreement with the National Endowment for the Humanities, the increase will cover such cost increases as the Federal Employees' Retirement System [FERS], the Federal pay increase, a GSA mandated increase in rent, and fund an additional FTE. The new FTE is slated to be a program specialist who will help offset the heavy workload in the Institute's program office.

SUMMARY STATEMENT

Ms. SHEPARD. Thank you, Mr. Chairman. I would just like to thank you for the opportunity to appear before you today to present the administration's request for fiscal 1988. As you know, the Institute of Museum Services is celebrating its 10th anniversary this year.

We're very pleased to be presenting a positive budget of $19.25 million for fiscal 1988.

I would like to summarize my opening statement by saying that we can accomplish all of the major responsibilities of this agency with the budget that we have requested and still be fully cognizant of our part in helping to reduce the Federal deficit.

Perhaps the single thing that differentiates IMS from the National Endowment for the Arts and the National Endowment for the Humanities is our constituency.

IMS serves all museums throughout the United States, Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. IMS provides grants to museums with what we call both living and nonliving collections. So we are the ones who fund aquariums, zoos, children's museums, historic homes, as well as art museums and all of the other institutions that are traditionally called museums.

The other thing that distinguishes us from the other two agencies is the fact that we give general operating support. We fund institutions as institutions, not as project grants. We believe that the need in the museum field is very great and that is reflected in the budget we have submitted to you.

I will be happy to answer any questions.

Senator DECONCINI. Ms. Shepard, it kind of intrigues me to see how great the need is, and yet with a reduction of $2 million, you are going to meet all the needs. It seems to me, unless the need has reduced and subsided, that you are not going to be able to meet the need unless you have a magic that can stretch those dollars or something. I don't understand it.

Could you clarify for me?

Ms. SHEPHARD. Well, Mr. Chairman, I think you will find that we plan to absorb the $2 million reduction in the fiscal year 1988 budget from the actual 1987 budget.

I would like to emphasize that this fiscal year 1988 budget is really a $19 million plus request as far as our agency is concerned, but the $2 million reduction will not affect the number of institutions that can be funded. The bulk of the reduction will be taken out of the General Operating Support Program. General operating support is provided on a maximum basis, so the maximum grant that a museum could receive last year was $75,000. Last year, a museum could apply for 10 percent of its non-Federal operating budget or $75,000, whichever was less.

Senator DECONCINI. But $75,000 means maximum.

Ms. SHEPARD. That is correct. The plan to absorb the $2 million difference, will be authorized by a vote of the National Museum Services Board, which is the governing body of the agency. They are seriously considering reducing the maximum award a museum can receive from $75,000 to $65,000, though they consistently vote to fund at a one-third awards to total applications ratio. A maximum award reduction will not affect the number of institutions we can help. It will only affect the maximum amount they can receive.

Senator DECONCINI. So, in essence, there is going to be less money, if not less projects.

Ms. SHEPARD. That is right. The average grant, Senator, has been approximately $39,000, and with the change, it will be approximately $35,000.

Senator DECONCINI. The committee has expressed concern that grant applicants in a variety of Federally funded programs from large States appear to be receiving a disproportionately large share of the grants and funding, while applicants from the smaller States, such as West Virginia and Arizona, who might be less experienced in the act of preparing applications, get overlooked.

What can the Institute do to address this concern over the next 12 months. And what steps can you take to assure that the members of the National Museum Services Board are aware of these concerns?

Ms. SHEPARD. First, let me thank you for asking that question, because one of the greatest misconceptions about the Institute of Museum Services' programs is that we give grants by States. We do not. We give grants by budget size and by discipline.

Each institution competes only with other like institutions. A small historic home from Mississippi would not compete with the Metropolitan Museum of Art. We have 13 museum disciplines and six budget sizes into which like types of general operating support applications are categorized.

Now having said that, we do announce our grants by State, really as a courtesy to the Congress, and we are aware of the misconception that some States, particularly, as you say, small States or rural States, do not do as well.

We know there is a concern, and the Board knows there is a concern, and they are very conscious of it, but we have found, in fact, that many small States do very well.

For example, Massachusetts had 76 museums apply last year; 34 of those were funded. That is an average of 44.7 percent. And please keep in mind, as I stated earlier, that the level at which we fund is one-third. So they do very well.

Maryland had 22 museums apply. Six were funded, for a percentage of 27.3 percent, whereas in a large State like Texas, 51 applied, and only 15 were funded. They also had a 29.4 percent.

The number of grant recipients in a State depends very heavily on how many museums from a particular State apply. If only two museums apply, probably neither will be funded, but if 100 apply, approximately 33 will be funded.

Senator DECONCINI. Is there any problem with some of the smaller States not knowing how to apply or what the program is, and if so, do you have a program to attempt to address that?

Ms. SHEPARD. Yes; I think that is a very real concern. We have found that museum representatives from the smaller States who attend the association meetings can take advantage of the grant-writing workshops that we give, in conjunction with association meetings. We are too small an agency to send people into every State. We simply can't afford to, but we do try to be represented at every association meeting. With a constituency that includes aquariums and zoos and other types of museums, we have many association groups that we speak to and advise through grant-writing workshops. We encourage the museum associations to get the word out about our help to the smaller States and for State representatives to come and get the help that they need.

Senator DECONCINI. That leads me to the conclusion that the smaller States are going to have to go someplace to go to the workshops.

Ms. SHEPARD. I think that is true. While we do attend regional meetings, occasionally there is a State museum association that perceives its constituency as doing badly in IMS programs. We just had this experience with the State of Florida. Museums there felt that they were doing very badly in our system. We looked at our statistics and they were right. They were doing badly. Their State association solicited our assistance to come to Florida to give a grant-writing workshop and now the association has beefed itself up. Florida museums are much more cognizant of what is going on in the museum world. Their applications are now getting funded. In addition, as a matter of concern, our next Board meeting, next month in April, will be in Florida, and in conjunction with that Board meeting, the staff and Board will conduct 2 days of site visits and talk to many of the Florida museum directors who are concerned.

So when we can and when we have the funds to do it, we do try to assist as much as possible.

Senator DECONCINI. Thank you. Just a last question.

You indicate that your budget includes $50,000 for travel costs. That is the same as the 1987 level. That amounts to about $3,000 per employee.

How much of the amount is for employee travel? Do you have the average cost and duration of out-of-town employee trips?

Ms. SHEPARD. Yes, Senator; that figure is a bit misleading. That $50,000 includes $30,000 that is totally for the Board. That is Board travel excusively. We have a 15-member, presidentially appointed board, which holds three meetings a year in different parts of the country.

Senator DECONCINI. And you take travel and per diem out of that?

Ms. SHEPARD. That is correct. So that $30,000 goes for their three meetings a year. The average cost of a trip, a 3-day trip, is almost exactly what Frank Hodsoll indicated in his testimony. For our agency, the average cost of travel is about $600 for a 3-day trip or approximately $200 a day.

Senator DECONCINI. For your employees?

Ms. SHEPARD. This is for both Staff and Board members. This boils down to $9,000 a meeting for the Board or $27,000, just under that $30,000, for Board meetings. Then each Board member is on a subcommittee meeting which meets once a year in Washington. So that adds to that.

That leaves only $20,000 for the entire staff to travel for the whole year to all of these association meetings.

I have an entire agency of only 14 people. Of that, only eight members travel. Five members of the program staff, myself and two members of the director's staff.

We have figured that that comes out to about $2,500 a person per year to do all of the things that we need to do, including grant-writing seminars and appearances at all of these association meetings. We feel that we are right down to the bone.

Senator DECONCINI. Thank you. That is a good explanation. I am glad we had an opportunity to put that on the record.

I have some questions we will submit, Ms. Shepard for the record.

ADDITIONAL COMMITTEE QUESTIONS

If any committee members have questions, we will submit them to you, Ms. Shepard. Thank you. You've done a good job with this small agency, and it is important, certainly, in my State of Arizona.

Ms. SHEPARD. Thank you very much, Senator.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

$2 million reduction

Question. Does the percentage of applications funded indicate keen competition for the IMS funds, with only the quality applications being funded?

Answer. Quality is defined by IMS for its applicants and peer reviewers on page 6 of the 1987 General Operating Support Grant Application and Information packet as follows:

> GOS reviewers are instructed to score applications on the basis of the relative quality of each applicant museum as it is represented in the responses to the narrative questions. Quality is determined by the degree to which the applicant demonstrates its knowledge of and adherence to generally accepted professional standards of museum operations. Each of the nine narrative sections receives one score signifying the reviewer's assessment of the applicant's overall performance in this area. Definition of the seven possible scores range from leadership (7) to unsatisfactory (1).

The current percentage of applications funded is determined in response to several factors including the total amount of the appropriation and the total number of applicants. The 1986 GOS funding percentage of 30.9% was realized in an effort to maintain the competitive spirit of the program while still allowing for funding to be spread across disciplines and budget sizes.

The percentage of applicants to grants does indicate keen competition for funding, with only the highest quality applications being funded.

Question. The Committee has expressed concern that grant applicants in a variety of Federally funded programs from large states appear to be receiving a disproportionately large share of the grants and funding, while applicants from the smaller states, such as West Virginia, who might be less experienced in the act of preparing applications, get overlooked. What can the IMS do to address this concern over the next twelve months? What steps can you take to assure that the members of the NMSB are aware of these concerns?

Answer. The staff of the Institute of Museum Services is ready and willing to advise any museum on the preparation of its grant application. IMS staff attends professional, regional and state museum association meetings, as our travel budget permits, to counsel past, current, and prospective applicants. In addition, museums are repeatedly encouraged to call or visit the agency to obtain assistance as they complete their applications. The IMS telephone number is prominent on the application cover and listed six additional times in the first twelve pages of the packet. An important form of assistance offered by IMS is the availability of sample narratives of successful past applications and IMS encourages their use by all museum applicants. Many small or rural states do reasonably well in our GOS program. For example, 14 museums from Arkansas applied last year, and of those 4 (28.6%) were funded. Likewise, 10 museums from Montana applied and 3 (30%)

were funded. This is not an unsuccessful funding level when one keeps in mind that IMS normally funds at approximately 33%.

IMS grants to West Virginia have improved over the past several years. In 1984, four museums submitted applications to the GOS program and of those, three (75%) were funded. In 1985, five applications from West Virginia were received and two (40%) were funded. In 1986, five museums again applied for GOS and three (60%) were funded. The improvement in the number of museums applying to IMS is commendable and this is the type of participation that our agency encourages. To facilitate this encouragement, IMS maintains very good cooperation with the American Association of Museums, which represents the concerns of museums nationwide and also coordinates regional museum associations.

In addition, I believe that raising the visibility of the agency will serve to make more museums aware of the programs we offer. As an innovative step, the staff of IMS offers seminars to Congressional staff so that our program information can be disseminated to local levels that we aren't reaching through national, regional, and state meetings. This seminar has already been given four times, twice each to House and Senate staff. It has been a successful introduction to our programs and has stimulated interest as evidenced by the resulting requests for information and materials. We will continue to give these seminars during the year and can certainly make a special effort to include Congressional staff from states that may have difficulty with our programs. In addition, IMS will mail notices to state museum associations offering whatever services we can provide, whenever possible. The IMS Public Information office is already in contact with individuals and organizations in certain states that can help less competitive institutions submit more successful applications. Our Program staff is also encouraged, when traveling, to make site visits to museums that have requested our assistance.

In order to further encourage museums from small and rural states, IMS will consider the possibility of select state grant-writing workshops in coordination with a state's arts and humanities council and possibly a future National Museum Services Board meeting in a state whose museums that may need additional assistance.

Travel Costs

Question. The FY 1988 budget request includes $50,000 for travel costs, the same as the FY 1987 level. This amounts to about $3,000 per employee. How much of the amount is for employee travel?

Answer. The $50,000 referred to is a combination of the travel requests for the IMS and the National Museum Services Board in the Table of Administrative Costs following the Administrative Narrative in the IMS FY 1988 Appropriations Request. The Table combines all of the administrative costs for both organizations into the single chart. Thus, the actual amount requested for regular IMS staff travel in FY 1988 is $20,000.

Question. What is the average cost and duration of an out-of-town employee trip?

Answer. The average cost of an out of town trip is $637 with an average duration of 3.6 days.

Question. How many such trips will be made in FY 1987? In FY 1988?

Answer. In FY 1987 there will be approximately 26 out-of-town trips by 6 employees traveling to 22 locations; and in FY 1988, approximately 26 trips will be taken by 7 employees traveling to 22 locations.

Question. Who approves such travel?

Answer. The Director of the Institute of Museum Services.

Question. What measures does the Institute currently employ to monitor employee travel to assure there are no abuses in this area?

Answer. Each trip must be justified by the Program Director to the Director of the agency before approval is granted. Additionally, no travel for site visits alone is permitted (except locally); site visits must be made in conjunction with attendance at association meetings or conferences. Thus, travel abuse is highly unlikely since there is no agency travel on staff discretion, or outside of national, regional, state professional meetings, or out-of-town National Museum Services Board meetings. In addition, all staff traveling on agency matters must submit a written report accounting for time, activities, and expenses.

Question. How much in additional travel costs are carried in the budget for FY 1987 and FY 1988 under the object classification entitled "Other Services"? Is this amount increasing, and if so, for what reasons?

Answer. Additional travel at $20,000 is budgeted in "Other Services" for 2 program panel meetings: one each for General Operating Support and the Conservation Support Program. This is to bring in museum experts from the field for two program panel meetings per year. This amount has increased from prior years, primarily to add an additional day to the panel meetings in order to discuss relevant policy in addition to reviewing applications recommended for award. The amounts estimated in FY 1987 and FY 1988 are consistent, and not expected to increase.

Question. What can be done to cut back on the number and duration of employee travel costs?

Answer. Trips taken by staff of the Institute of Museum Services are already at minimum duration as the IMS staff is too limited in size to permit lengthy absences. The Institute can further cut back on the number of trips only by not attending many of the professional museum meetings held each year. The staff's travel, primarily taken to speak at museum association meetings, hold grant writing workshops, and otherwise assist museums in improving their chance of success in obtaining an IMS grant, can be cut only at the expense of providing assistance to museums, and would especially affect those smaller museums in remote areas lacking in large sophisticated development offices outside large metropolitan centers.

Question. Please provide for the Committee files (consistent with the provisions of the Privacy Act) for each of the past three years, the name, dates, destination, duration, and cost of each out-of-town trip funded by the Institute.

(Clerk's Note.--The material was submitted for the Committee files.)

Question. Is there any duplication and overlap of effort on behalf of IMS, NEA, and NEH in terms of programs?

Answer. Although each agency provides federal support to museums, the focus of each is normally different both in terms of the types of museums they support and in terms of the activities for which funds may be used. While NEA primarily funds art museums and art centers, and NEH primarily funds general, and history museums, IMS is the only Federal agency to provide support to the broadest range of museum types, including: aquariums, botanical gardens, children's museums, natural history museums, science and technology centers, zoos, planetariums, as well as art museums and centers, history museums, and historic houses.

IMS has taken the lead in a study mandated by Congress last year to determine the nature and level of Federal support for museums and to address the question of overlap. As members of the National Foundation on the Arts and the Humanities, IMS, NEA, and NEH have all been active in addressing Congress's concern through the development and implementation of a survey. In a preliminary analysis of survey responses, program administrators from NEA, NEH, and IMS, providing the majority of federal support to museums, are aware of those federal programs, and areas within each, where the potential for overlap might exist. For example, an art museum with a specific conservation need would have the opportunity to apply to both IMS and NEA for project funding. The possibility of a museum receiving funding from both federal agencies, however, is highly unlikely because of an interagency agreement by the three agencies through which all support activities for museums are coordinated. This review of support activities prevents duplication of funding to the same institution for the same project. The procedures in the agreement have been very effective for both 1985 and 1986 grant cycles. The survey report, when it is published later this year, will provide detailed information on these procedures. Other information collected from IMS, NEA and NEH programs, including grant lists, dollar totals reported by agency programs of museum support awarded for Fiscal Years 1985 and 1986, and the accompanying narrative responses indicate that no overlap of funding has occurred or is likely to occur.

Question. Explain any recent changes in IMS rules and regulations.

Answer. The major rule change to take place this year has been the establishment of funding priorities for the Conservation Project Support program. The application priorities suggest that museums view the conservation of their collections in a systematic manner that fosters long-term protection and planning. These priorities are designed to focus attention on collections care from a broad to a specific nature including surveys of collections and environmental conditions, provision of optimum environmental conditions, staff training, research for improved conservation techniques, and treatment of museum collections.

This year's Conservation Project Support application was due on January 30, 1987 and as museums prepared their applications, we found that they were generally adapting well and even enthusiastically to the changes in the program. In the category of non-living collections for example, the number of requests for partial or general surveys of collections conditions (funding priority #1) has more than doubled over last year's requests. We are pleased with this development because it reflects the need demonstrated by the "Collections Management, Maintenance, and Conservation" survey for many museums museums to determine the condition of their collections and to establish long-range conservation plans and priorities. Comments from prospective applicants prior to the application deadline were broadly supportive and appreciative of IMS' effort to assist museums in this manner.

Another IMS rule change this year affects the Museum Assessment Program and involves an increase in the amount of the MAP award from $1,000 to $1,400. This increase is needed to keep up with the costs of administering the program which has been highly beneficial particularly to small and emerging museums. The program provides technical assistance in overall museum operations and collections care at no cost to the institution. In fact, MAP is an ideal opportunity for museums that are less experienced with federal grantmaking programs because the assessor comes to the museum and the program is non-competitive. Over 1,600 museums have participated in MAP since its inception in 1981.

Administrative Costs

Question. What actions are you taking to hold down administrative costs, which are increasing by $118,000 in Fiscal Year 1988 over 1987?

Answer. The increase in FY 1988 over FY 1987 is essentially $82,000 rather than $118,000 due to a reprogramming of $36,000 of Conservation Program funds to administration which will be required to cover the increased costs of FERS and the FY 1987 Federal pay increase. The Institute of Museum Services has basically held its administrative budget at a level consistent with prior years despite the increase requested. With the exception of the funds requested for an additional FTE, the increase can be specifically attributed to 3 external acts of the U.S. Congress and the General Services Administration:

1. Federal Employees Retirement System (FERS), FY 1988 increase over FY 1987:	$12,000
2. FY 1987 Federal pay increase, FY 1988 effect:	5,000
3. FY 1988 RENT (SLUC) increase, GSA, effect:	15,000
4. New FTE, FY 1988 effect (including benefits):	19,000
TOTAL	51,000

The remaining part of the FY 1988 administrative increase is

attributable to staff salary increases, and other routine annual cost increases. The Institute, then, has little control over 62% of the administrative increase requested for FY 1988. Although the Institute is well aware of the increase in its administrative expenses, the agency has had to work with a relatively small amount for a number of years as agency costs have climbed. There is significant activity, such as keeping potential applicants in remote locations well-informed of the agency's grants activities, for an example, that is considered desirable. Although such a policy is expensive, it helps ensure that all applicants have an equal opportunity to participate in our programs. Further, the IMS has taken the initiative in FY 1987 to publish all of its FY 1986 grants in the form of an Annual Report. Although such a publication is not required by the Institute's statute, such a publication is essential for a grants-making organization in order to provide a continuing record of its grants as well as recognizing its accountability to the taxpayer. The Annual Report has been completed within a reasonable budget, but is still an additional agency expense.

Question. What factors are driving up administrative costs, such as increased federal per diem costs, and what can be done to control such administrative cost increases?

Answer. The primary factors driving up the IMS' administrative costs are, as listed above, the change in the Federal retirement system (FERS), federal pay increases, and RENT increases. Making needed agency administrative adjustments such as increasing travel to states achieving lower rates of grant success and adding an additional program specialist also add to the cost of operations, but at a less significant level.

Because the IMS annual travel budget is relatively low, and because the Institute does not require an extensive panel review system, the federal per diem increase does not have an appreciable overall effect on the agency's administrative expenses. In addition, one would be hard-pressed to find another Federal agency that operates with as low an overhead as the Institute of Museum Services. With a current overhead of 4%, IMS is seeking a slight increase to a 4.9% overall rate in FY 88.

Question. Would a reduction in staff be an appropriate measure to control rising administrative costs?

Answer. The staff of the Institute of Museum Services currently stands at 15, against an overall FTE ceiling of 16. The Institute processes in excess of 2,000 grant applications annually, as well as monitoring over 1,000 active grants annually. The grants process, from the initial application to the final data collection from the grantees' final reports is labor intensive. The Conservation program, although having a considerably smaller appropriation than GOS, focuses on funding projects and is far more complex to administer, requiring about 50% of the program staff's time.

The current average grade level for the Institute, for all positions, is GS 8-Step 6. This grade level indicates that the agency, although operating a labor intensive program with a very small staff, is not "top heavy". In addition, several IMS staff

are presently doing "double duty," combining two or more agency job responsibilities usually carried out by separate individuals in larger agencies.

Although a reduction in staff may be one alternative to consider when attempting to decrease administrative overhead, the programs of the IMS would need to be changed drastically in order to accommodate such a reduction. Many services to the field would need to be dropped, such as grant workshops at museum conferences and outreach to potential applicants unfamiliar with the Institute's programs outside of urban areas. The ability of the staff to keep up with the constant changes in the field would also be affected.

Again, it should be stressed that the overhead rate of the IMS is already very low. With the administrative increase requested for FY 1988, the IMS rate of operation still remains below 5%, a rate low by Federal standards.

Question. Has three meetings for the National Museum Services Board proved sufficient to accomplish IMS policy purposes?

Answer. It has been the position of the Board in past years, that four meetings was excessive and that an attempt should be made to consolidate policy matters into three meetings. The remaining fiscal 1987 NMSB meetings are planned for April and July. Until we have experienced one complete year of operating on the three meeting schedule, we cannot appropriately forecast future needs in this respect. We do, however, anticipate that three meetings will be adequate.

Questions Submitted by Senator Dennis DeConcini

Question. You indicate that even with a reduced amount for GOS the Institute will still be providing an adequate amount of general operating support to recognize excellence in the museum field. What is your definition of excellence and an adequate amount of general operating support?

Answer. Excellence is recognized by the reviewers of the applications through the scores that they assign to the applications. IMS recognizes that excellence by awarding grants to those applications which rank highest in the review process.

For the purposes of the Fiscal Year 1988 budget, IMS has determined that the $15.3 million proposed for the General Operating Support program will accomplish approximately the same level of support as previous years for most of the museums receiving grants in the program. The maximum grant award a successful applicant would receive would remain at 10% of its total non-federal operating budget. Therefore, it is anticipated that the reduction in the GOS appropriation would be absorbed by a decrease in the maximum grant from $75,000 to $65,000. Since museums eligible for the maximum grant award are those with larger non-federal operating budgets, the burden of such a decrease in the maximum grant would be borne substantially by those museums most able to accommodate a decrease. In addition, one of the greatest values of an IMS operating support grant is its symbolic significance as a

recognition of excellence in museum services to the public. This form of recognition has served many museums well in their ability to raise funds from private sources.

It should be emphasized, however, that IMS instructs applicants that they should not budget GOS funds in anticipation of an award because it is a competitive process and there are no guarantees of continued funding for any recipient. Consequently, a reduction in the maximum award should not adversely affect the actual operating budget of any given applicant and will result in achieving an adequate amount of general operating support.

Question. Annually, the National Museum Services Board determines the ceiling for GOS. What is the process for determining the ceiling and what criteria are used?

Answer. Prior to 1985, the ceiling for the General Operating Support grant was set by regulation at $50,000. Between fiscal years 1983 and 1985, the appropriation for GOS increased substantially while the number of applications remained relatively stable, resulting in an increasing percentage and number of applications being funded. Between 1983 and 1984, the percentage of GOS applications funded jumped from 29.2% to 42.7% and the number of applications funded from 309 to 532.

With the prospect of funding almost half of 1985 GOS applicants because of another increase in the appropriation, the NMSB became very concerned about the dramatically changing character of the program. Having established GOS as a competitive rather than an entitlement program the Board felt that the GOS award was losing its ability to function as a benchmark of the quality of the operations and services of its recipients. As the GOS award is used by many grantees to endorse their institutions to other funding sources, the impact of such an endorsement by the federal government would be significantly diminished if half or more of the program's applicants received grants.

For its November 1985 meeting, the NMSB requested and received from staff projections of the number and percentage of museums which would be funded at award ceilings other than that prescribed by regulation. Based on those projections, and with its concern in mind to preserve the competitive nature of the program and, thereby, it's significance as an award for merit or excellence, the Board voted to recommend a ceiling of $75,000 for the GOS award. Such a ceiling would result in an estimated 36% funding rate, solidly within the 30 to 40 percent rate of funding which the Board felt would preserve the character of the program.

At the same time that the Board recommended the increase of the ceiling to $75,000, they recommended that the regulation governing the maximum award be amended to allow the ceiling to be established annually, and thereby to be continually responsive to changing levels of funding for the program. It should be noted that approximately one quarter of 1985 and 1986 GOS awards were made at the maximum amount and that the average award in 1985 was $37,154 and in 1986 was $39,017.

SUBCOMMITTEE RECESS

Senator DECONCINI. The subcommittee will stand in recess, subject to the call of the Chair.

[Whereupon, at 3:15 p.m., Thursday, March 19, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1988

TUESDAY, MARCH 24, 1987

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:05 p.m., in room SD–192, Dirksen Senate Office Building, Hon. Dennis DeConcini presiding.

Present: Senators DeConcini, Bumpers, Reid, McClure, and Stevens.

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

STATEMENT OF ROBERT F. BURFORD, DIRECTOR

ACCOMPANIED BY:

DAVID C. O'NEAL, DEPUTY DIRECTOR
ROBERT H. LAWTON, ASSISTANT DIRECTOR FOR ENERGY AND MINERAL RESOURCES
JAMES M. PARKER, ASSISTANT DIRECTOR FOR SUPPORT SERVICES
THOMAS J. ALLEN, ASSISTANT DIRECTOR FOR MANAGEMENT SERVICES
GUY E. BAIER, ACTING ASSISTANT DIRECTOR FOR LAND AND RENEWABLE RESOURCES
ROGER L. HILDEBEIDEL, CHIEF, DIVISION OF BUDGET

OPENING REMARKS

Senator DECONCINI. Good afternoon. The subcommittee will come to order.

This is the time scheduled to review the fiscal 1988 budget request for the Bureau of Land Management. The request for the Bureau's major operating program is $407,952,000, a decrease of $11,533,000, or roughly 3 percent for 1988.

Testifying will be Mr. Burford, the Director. We welcome you, Mr. Burford, to this subcommittee and we will insert your complete statement in the record.

We want to thank you, Mr. Burford, in advance for the attention you paid to some of our States out in the western part of the country. We

are almost a tenant of yours and we appreciate the landlord's being as sympathetic as you are on occasion.

The fiscal 1988 appropriation request for the Bureau is an important one. It's one that affects many of us, not just in the West, but in other States. So we will be more than happy to hear your testimony, and we will put the full amount of your testimony in the record if you would summarize it for us.

Please proceed.

Mr. BURFORD. I will submit my full testimony and thank you in advance for including it in the record.

Our total budget request for 1988 is $641.8 million, which is a decrease of $108.5 million from the 1987 appropriations enacted to date, and a $47.1 million reduction from the 1988 base.

The larger figure includes a considerable amount of fire money which was expended in the fire season for last year. As many people from the Northwest part of the western United States know, we had some very bad fires in Nevada, Idaho, California, and the eastern part of Oregon.

For our miscellaneous permanent appropriations and miscellaneous trust funds, this budget is a reduction of $25.8 million from the 1987 appropriation level and 1988 base.

The 1988 budget reflects our continuing commitment to effective stewardship of the public lands and their mineral, renewable, and other natural and cultural resources. This involves management of about 270 million acres of public land and responsibility for some 300 million additional acres of mineral estate underlying other Federal lands or severed mineral estate throughout the United States both in the East and in the West.

This budget also includes our continuing emphasis on volunteer support and private investment on public lands as well as working with State and local governments and private users to share in funding and administration of appropriate activities.

One of the priority programs for which we are requesting an increase this year is a management tool, the automated land and mineral record system [ALMRS], which will automate and enhance the usability of the Nation's public land records.

Associated with this will be a geographic information system which will enable our managers to better take care of those multiple-use management programs. The 1988 request of $408 million in MLR, or management of lands and resources, is a decrease of $11.5 million from the 1988 base.

We do not have included in here any emergency firefighting funds, and we will intend to follow the past practice of borrowing some of these emergency costs from no-year accounts under the authority provided to the Secretary in section 102 of the Interior and Related Agencies Appropriations Act. We then request supplementals after we find out how much money we have expended.

Within MLR $84 million is requested for energy and minerals management. As I mentioned earlier, we are trying to accelerate the devel-

opment of ALMRS with a total funding of $13.5 million. This is an increase of $8.5 million over the base.

PREPARED STATEMENT

I think the rest of my statement will be entered in the record. I know that some of the Senators have questions that they are particularly interested in, so I will conclude my presentation at this time.

[The statement follows:]

STATEMENT OF ROBERT F. BURFORD

I appreciate the opportunity to be here today to support the President's FY 1988 budget request for the Bureau of Land Management (BLM). The 1988 Budget reflects the continuation of this Administration's commitments to maintaining effective stewardship of the Nation's public lands and resources, attaining a balanced use of those lands and resources, and improving the efficiency of their management.

The total 1988 budget request for BLM is $641.8 million, a decrease of $108.5 million from the 1987 appropriations enacted to date and a $41.4 million reduction from the 1988 base.

For operating accounts and Payments in Lieu of Taxes (PILT) for which current appropriations are requested, the 1988 Budget level is $584 million, a decrease of $82.7 million from the 1987 enacted to date level and $15.6 million below the FY 1988 base. The Budget also includes $57.8 million in Miscellaneous Permanent Appropriations and Miscellaneous Trust Funds, a reduction of $25.8 million from the 1987 appropriation level and 1988 base.

The 1988 Budget reflects our continuing commitment to effective stewardship of the public lands and their mineral, renewable, and other natural and cultural resources. This involves management of about 270 million acres of public land and responsibility for some 300 million additional acres of mineral estate. Our management philosophy is to encourage individual citizens, groups and private organizations to become actively involved in the care of our public lands and resources. The Budget also includes our continuing emphasis on volunteer support and private investment on the public lands, as well as working with State and local governments and private users to share in funding and administration of appropriate activities.

Priority programs in the 1988 Budget are those which protect existing public investment in facilities and resource projects, respond to significant regional and local economic needs, and ensure the safety and protection of both the public land user, or visitor, and the resource values. This Budget also supports improved management practices through the applicaton of information technology, such as continuing the initiative known as the Automated Land and Mineral Record System (ALMRS), which will automate and enhance the usability of the Nation's public land records.

The 1988 Budget includes a request of $408 million for "Management of Lands and Resources" (MLR), the Bureau's principal operating appropriation, which provides funding for the majority of BLM's multiple-use management programs. The 1988 request is a decrease of $11.5 million from the 1988 base.

The 1988 Budget does not include any emergency firefighting funds. Any emergency costs will be paid using the normal mechanism of tranferring funds from no-year accounts under the authority provided to the Secretary in Section 102 of the Interior and Related Agencies Appropriations Act. Supplemental funding to replenish any tranferred funds will be requested promptly.

Within MLR, $84 million is requested for energy and minerals management, a $200,000 increase from the 1988 base. This funding level will allow the Bureau to continue priority solid minerals program activities, such as review of leasing levels in land use and activity plans, development of long range planning schedules, and monitoring compliance of leases. The requested increase will cover additional mining claim validity examinations, particularly in wilderness areas. In FY 1988, BLM will also issue new oil and gas leasing regulations, automate oil and gas field maps, and work toward eliminating the backlog in identification of potential drainage cases.

A significant acceleration in the development of ALMRS is included in the FY 1988 Budget with proposed total funding of $13.5 million, an increase of $8.5 million over the base. This project is funded by two budget activities --the lands and realty management program and the data management activity. The FY 1988 funding will be used to automate additional land status data and for a software development contract.

A funding level of $45.5 million is requested for lands and realty management, a decrease of $34,000 from the 1988 base. The increase in the lower 48 lands program for ALMRS is partially off-set by decreases in the rights-of-way, withdrawal processing and review, and Alaska lands programs. Added emphasis in FY 1988 will be placed on unauthorized use abatement.

The 1988 Budget provides $114.1 million for the renewable resources management activity, which is a program reduction of $12.1 million from the 1988 base. This decrease will be achieved by reducing or eliminating lower priority projects. At the proposed funding level in the Public Domain forest management program, BLM will continue to address the backlog of reforestation needs, and also reduce the offering level of commercial timber sales.

The FY 1988 wild horse and burro program will provide for the removal of 10,000 animals from the public lands--a reduction in the overall herd size of 2800 animals. Emphasis on adoption will continue, resulting in a $3.4 million reduction of maintenance costs at the long-term holding facilities.

In grazing management, the FY 1988 Budget will feature the completion of the last 5 court-ordered grazing environmental impact statements. Major program activities include use supervision, monitoring, and project planning for development of range improvements. Actual construction of range improvements is funded under the separate "Range Improvement" appropriation. At the current grazing fee level of $1.35/AUM, total collections are estimated to be $16.5 million, of which half will become available for "Range Improvements" funding.

In FY 1988, the soil, water and air management program will continue the Bureau's commitment to completing soil surveys on public lands by 1992, responding to water rights adjudications, cooperating with the Interagency Task Force on Acid Precipitation, and implementing an effective hazardous materials control program.

The wildlife habitat management program will continue to emphasize on-the-ground management of high priority fish and wildlife habitats, conservation of threatened and endangered species, and minimizing land use conflict in key habitats, such as riparian areas.

Within the FY 1988 Budget, recreation program activities will continue to stress cultural resource protection and public education to reduce vandalism and deterioration, interim management and protection for areas under wilderness review, and use supervision in special recreation management areas. The Bureau will continue emphasis on issuance of joint use permits with other agencies to reduce the number of permits and increase efficiency.

The BLM maintenance budget of $14.4 million represents a $1.1 million increase over the 1988 base to provide for increased corrective and scheduled maintenance of BLM-administered facilities and transportation systems. In the resource protection program, BLM will continue to emphasize the suppression of marijuana growing on public lands and the protection of cultural resources.

The 1988 request for the "Oregon and California Grant Lands" (O&C) appropriation is $53.9 million, a net decrease of $587,000 from the 1987 appropriation after providing for increased costs of pay and retirement (FERS). The program decrease of $3.4 million from the 1988 base is possible by reducing slightly the planned timber sale offerings and deferral of lower priority wildlife projects and recreation and transportation maintenance work.

The 1988 request for PILT is $105 million, the same level as 1987.
In 1988, BLM will collect an estimated $237.5 million in receipts from sales of lands and vegetative products, grazing fees, timber sales and other miscellaneous sources. This amount is an increase of $7 million from the amount estimated from these sources in 1987. Most of this projected increase will result from a projected increase in timber harvesting in western Oregon.

Associated with the receipts collected from activities on the Public Lands, we estimate that the States and counties will be paid $50 million in 1988 as their share of revenues generated by the sale of public lands, mineral resources, and surface resource products. A decrease of $25.6 million results from the proposal to share receipts generated from the Oregon and California (O&C) Grant Lands on a net cost, rather than on a gross receipt, basis. Under this proposal, the costs of administering the western Oregon timber program and, thus, of generating these receipts, would be deducted from gross receipts before payments are made to the O&C counties.

This concludes my prepared statement on the FY 1988 Budget request for BLM. My associates and I are ready to answer your questions and provide whatever additional information is necessary to enable you to assess our budget request.

Thank you.

INTRODUCTION OF ASSOCIATES

Senator DECONCINI. Thank you, Mr. Burford.

Would you like to introduce those who are joining you here?

Mr. BURFORD. Yes; my Deputy Director is on my right, Dave O'Neal. On his right is Bob Lawton, Assistant Director for Minerals. On my left is Roger Hildebeidel who is the Budget Officer for the Bureau. To his left is Jim Parker who is Assistant Director in charge of support services. To his left is Guy Baier, Acting Assistant Director for Lands and Renewable Resources. At the far end of the table is Tom Allen, Assistant Director for Management Services, who has recently transferred in from your home State to help run the Bureau of Land Management here.

Senator DECONCINI. I'm glad you can find such good talent and move them right up from Arizona, Mr. Director. [Laughter.]

Mr. BURFORD. Well, we season them down there in that warm sun and then bring them up here for tanning.

Senator BUMPERS. There are two schools of thought on that for whatever it's worth. [Laughter.]

SAN PEDRO RIVER RIPARIAN AREA

Senator DECONCINI. Mr. Burford, you will recall that one of my highest priorities has been the acquisition and appropriate management of the San Pedro Riparian River area. Last year the Congress provided $400,000 for additional recreation management activities in the San Pedro area. The increase was for hiring additional resource specialists to undertake inventories of archaeological sites and initiate other wildlife resource studies.

I'm told that the Bureau had about $150,000 in the 1987 base for supporting management activities in this area which would mean that the Bureau has about $550,000 available in 1987.

First, is that correct and, second, will this amount of money be sufficient to complete the final management plan and the required inventories and environmental impact statements?

Mr. BURFORD. The answer to both questions is yes, Senator.

Senator STEVENS. Will the Senator yield for just a second?
Senator DECONCINI. I'll be glad to yield to my friend from Alaska.

NET RECEIPT SHARING

Senator STEVENS. I have some questions concerning the new concept of net cost rather than gross receipts, and I would like permission to put those questions in the record at this point.
Senator DECONCINI. They will appear.
Do you want to ask them?
Senator STEVENS. No; thank you.
Senator DECONCINI. Without objection.
Senator BUMPERS. In which field, Senator?
Senator STEVENS. It's dealing with receipts from public lands.
Senator BUMPERS. Including forests?
Senator STEVENS. It includes forests and grazing fees and other sales and receipts. As I understand it, there is a new proposal coming at us in terms of net costs. It's mentioned in the statement on page 3 concerning Oregon and California [O&C] grant lands. I would like to explore that with some questions and I'll submit that for the record.
Senator BUMPERS. Is that the so-called Oregon and California railroad grant lands?
Senator STEVENS. Yes.
Senator BUMPERS. Is that what you're mostly concerned about on the net versus gross basis?
Senator STEVENS. My concern is to determine what the Director's ideas are with regard to all such receipts.
Mr. BURFORD. We have made that request in the past, Senator, as you recall, and Senator McClure and I have had various discussions on that same issue.
I think his last statement to me last year was that the administration, in its ignorance, makes this proposal every year, and Congress, in its wisdom, rejects it every year.
Senator BUMPERS. I think that pretty accurately describes it.
Senator DECONCINI. I think that's a very accurate quote.
Senator STEVENS. I just want to pursue the prevalence of your continued wisdom, Mr. Director. That's all.
Thank you, Mr. Chairman. I have to go to another hearing.
Senator DECONCINI. Certainly. The questions will appear in the record, and I'll ask the Director to respond to them.
Mr. Burford, does the 1988 budget continue this level of funding, and you said yes on that one.

MANAGEMENT OF SAN PEDRO AREA

You are proposing a $3.3 million reduction in the Recreation Management Program, a $2.3 million reduction in the Wildlife Habitat Management Program and a $1.5 million reduction in the fiscal year 1988 base in the Cultural Resource Management Program.

The San Pedro contains significant archaeological and paleontological resources, I don't understand what that is, and critical wildlife habitat for endangered and threatened species and will be a source of needed recreation in the southwest portion of Arizona.

With reductions in these programs, will critical funding for recreation, wildlife, and cultural resource activities in the San Pedro area be jeopardized?

Mr. BURFORD. We don't believe so. We've got $325,000 from current resources.

Senator DECONCINI. What is the rate of increase of recreational demand in the San Pedro area, do you know?

Mr. BURFORD. The proposed increase in recreation use?

Senator DECONCINI. Yes.

Mr. BURFORD. When the San Pedro area plan is completed, we think our primary responsibilities will be in the riparian and cultural resources programs and, as you said, paleontological resources. It is not primarily a recreation area. There is some wildlife in the area. I don't have the figures with me at the present time, but there are a number of raptors, and 100 and some species of birds. They are working out that management plan, but there will probably be certain areas open to off-road vehicle use, and there will be some other areas that will be closed.

We think that that level of funding will suffice after we get the plan in place. At the present time it is practically a closed area until the management plan is completed. As your bill calls for, there will be an advisory council down there, and we intend to work closely with that advisory council.

Senator DECONCINI. So you're not anticipating much of an increase in recreational demand for that area in this budget year.

Mr. BURFORD. Not in this budget year because we intend to have a plan in place and possibly some roads in place. Some areas may be designated for off-road vehicle travel but, as you know, there are several sets of ruins in that valley which mark some of the earliest Spanish explorers. I think you call them Presidios. I think there are about three of them within this San Pedro area, and we have to make sure that those are either fenced or protected in some way before we allow unlimited access to the area.

SAN PEDRO STEERING COMMITTEE

Senator DECONCINI. You mentioned the steering committee which is overseeing the formulation of an interim management plan for the San Pedro, and it has concluded that the San Pedro needs $1.2 million in fiscal 1988 for controlling access, evaluating the water resource quality and quantity issues and identifying and protecting cultural resources and stabilizing the Presidio Santa Cruz de Terrenate.

Are you aware of this committee's recommendations? Have you seen them?

Mr. BURFORD. Yes, sir, I am.

Senator DECONCINI. Would you agree that their need ranges from $1 to $1.2 million?

Mr. BURFORD. I would agree that within the context of the budget we have and given the constraints on the Federal income at the present time, we think that we can manage perhaps not at the level at which the advisory committee would have us manage, but in a sufficient manner to take care of the area at the present budget level.

Senator DECONCINI. Can you give us a comparison of what the steering committee's recommendation is and how close you will come to meeting that? You can supply that for us if you like.

Mr. BURFORD. I can do that. I don't have those figures off the top of my head, but I can give you that.

Senator DECONCINI. If you would give us that, maybe a table or something showing how close you are going to come to what they want or what they have recommended.

[The information follows:]

SAN PEDRO STEERING COMMITTEE RECOMMENDATIONS

Program activity	BLM fiscal year 1988	Committee recommendation
Cultural resources management	$100,000	$300,000
Recreation resources management	25,000	150,000
Soil, water, and air management	65,000	120,000
Wildlife habitat management	100,000	250,000
Range management	10,000	120,000
General administration	25,000	60,000
Maintenance		200,000
Total	325,000	1,200,000

Following is a comparison of items to be accomplished under the proposed budget for fiscal year 1988 versus what could be accomplished under the steering committee's recommendations.

SAN PEDRO RIPARIAN AREA

Planned fiscal year 1988 funding within the President's budget

	$325,000	Additional work at $1,200,000 level
Cultural resources	$100,000	
	Complete management plan, do inventory, planning, and some site stabilization at reduced levels.	Do additional stabilization projects—$200,000.
Recreation	$25,000	
	Do inventory and cleanup using volunteers.	Develop day-use areas, interpretive turnouts, signing, and survey and design of recreation facilities. Additional cleanup efforts—$125,000.

SAN PEDRO RIPARIAN AREA—Continued

Planned fiscal year 1988 funding within the President's budget—Continued

	$325,000	Additional work at $1,200,000 level
Soil, water, and air	$65,000	
	Complete planning, do monitoring, ground water study, hire a hydrological technician, set up water quality monitoring station (in cooperation with Arizona Department of Health Services and USGS), purchase a stream grazing station.	Rehabilitate eroded areas and restore some of the areas for revegetation—$55,000.
Wildlife	$100,000	
	Complete planning, do reduced level of inventory/monitoring.	$100,000 matching funds for riparian development project (Wildlife Foundation). Design meander structures for fish in tributary streams—$35,000. Additional inventory/monitoring—$15,000.
Range management	$10,000	
	Do minimum amount of fence maintenance.	$110,000 maintenance and repair of exterior boundary fence.
General administration	$25,000	
	Office expenses and clerical support.	Additional administrative support—$35,000.
Maintenance	0	$120,000 maintenance at Boquillas Ranch headquarters propety (privately occupied until 12/87)—possible future site for area; at buildings in Fairbank and three other houses on property. $60,000 of road maintenance and culverts and $20,000 of engineering services and trail maintenance.

AREAS OF CRITICAL ENVIRONMENTAL CONCERN

Mr. BURFORD. I would add, Senator, that I am blessed with 100 and some advisory committees and steering committees, all of them formally set up. They give me varying amounts of advice and suggest I spend money in differing ways. I have managed to never totally satisfy any one of them and have most of them mad at me most of the time.

Senator DECONCINI. Do some of those steering committees have representatives from congressional offices on them like this one does?

Mr. BURFORD. I think that is probably the only one that has a congressional representative on it.

Senator DECONCINI. The BLM in the State of Arizona has really done a superb job in protecting areas of significant resource value like Muleshoe and San Pedro. We were one of the first States to designate certain BLM wilderness study areas as wilderness and have several areas of critical environmental concern.

In your view, does the BLM need some special management designation authority expanding on the Federal Land Management Policy Act to allow the agency to provide more specific long-term management of some of these more critical areas?

Mr. BURFORD. I don't believe so. I think that in our planning process we can identify those areas, and we have identified a good number of areas of critical environmental concern throughout the United States.

Where the planning process shows that we do need to apply special management techniques, and this is outside of wilderness areas, we have the ability to make that designation and concentrate management dollars and apply other resource dollars to these areas. These areas range from scenic areas in some instances to cultural areas in other instances on up the scale to one area of critical environmental concern in Wyoming.

It consists of the oldest oil field in Wyoming, and it was designated because there was a lot of pollution going into some of those streams. There was a lot of old iron, old wooden derricks, and one thing or another, a lot of pump parts lying around all over the surface. It was designated with the idea of cleaning up that area and restoring it to what an oil field would look like under today's environmental constraints.

Senator DECONCINI. Mr. Burford, I have a number of other questions dealing with the BLM and a couple more with the San Pedro that I'll submit for the record.

Let me just ask this one, and then I'll yield to my ranking member, Senator McClure.

ARIZONA LAND EXCHANGE

You'll recall that Arizona's enabling legislation provided that the State will relinquish lands to the United States that are needed for irrigation works and then select Federal lands of equal value. I'm told that the State is now focusing on selections as compensation for the central Arizona project [CAP], and I must say Mr. Bibles out there has worked very hard, as you know, trying to put this together and has made some major trades.

Can you tell us how the selection process is coming along as far as you know and as you see it?

Mr. BURFORD. I don't know exactly how current we are at the present time. At one time, before the State had put forward some of the CAP requests, we were fairly current with their selection process. We have contributed a good number of areas to the State since those CAP lands were designated.

I can give you a status report.

Senator DECONCINI. Can you supply us the dollar value of the existing and future requirements as compensation for the CAP?

Mr. BURFORD. I can probably give you a dollar value on an acre.

Senator DECONCINI. That would be fine, and can you tell me what percent of the selections have been made to date or to some cutoff date

and do you anticipate any problems? If you could find out from your office out there, I would appreciate it.

Mr. BURFORD. I don't anticipate any problem. I have discussed this with Dean Bibles. Perhaps Tom Allen might have something to add since he has recently come back here from Arizona. Do you have any other information, Tom?

Mr. ALLEN. No; the latest information I have is that they are on schedule, and we should be able to work things out with the State to complete the majority of those selections.

Senator DECONCINI. Do you know the dollar value of existing or future requirements, Mr. Allen?

Mr. ALLEN. No; Senator, I don't have that.

Senator DECONCINI. Or the percent of the selection that have been made to date?

Mr. ALLEN. No, sir; I don't have that.

Senator DECONCINI. Maybe you could supply that for us.

Mr. BURFORD. We can supply that.

[The information follows:]

ARIZONA LAND SELECTIONS

The selection process involves reimbursement to the State of Arizona for lands relinquished to the United States for the central Arizona project [CAP]. Arizona's Enabling Act (36 Stat. 557) provides that the State relinquish to the United States lands which are needed for irrigation works in connection with any such Government project. In lieu thereof, the State may select unappropriated public lands of approximately equal value.

Outstanding debt to the State for the CAP as of December 1986 was satisfied with the transfer of Pittsburgh Point during December. That transfer, plus a transfer in 1985, totaled $96.5 million.

It is estimated the CAP will require additional State lands valued at $16 to $20 million. Selections have not yet been made for these lands because the Bureau of Reclamation has not identified all the State lands it will need to complete the project. Problems that may be associated with State selections will be identified after the State knows which lands it will lose and makes its approximately equal value selections of public lands. Should the State select lands affected by the National Wildlife Federation preliminary injunction, there would be a problem that could not be resolved administratively.

NATIONAL WILDLIFE FEDERATION LAWSUIT

Mr. BURFORD. I would make one further statement, that one thing which is entering some of our efforts to supply land is a lawsuit brought by the National Wildlife Federation which is constraining our activities such as land exchanges and selections and some other activities throughout the western States.

Senator DECONCINI. Can you bring us current on that lawsuit, too?

Mr. BURFORD. Yes, sir.

Senator DECONCINI. Are you going to submit that for us?

Mr. BURFORD. I'll submit that. I would rather have my solicitor draw up a schedule and timetable on what he thinks is going to happen.

CENTRAL ARIZONA PROJECT

Senator DECONCINI. Your briefing paper on your 1988 budget points out to me their statement here that there are no available public lands of value to satisfy the existing and future requirements created by the Bureau of Reclamation central Arizona project. That is on the fourth to the last page of a draft under lands and realty management. It's hard to believe with all the acres that you have in the State of Arizona.

Mr. BURFORD. I will check that statement out.

Senator DECONCINI. Would you, please.

Mr. BURFORD. I'm not sure but what there's something wrong with the statement. If it's correct, I'll bring it to your attention.

Senator DECONCINI. Will you?

Mr. BURFORD. Yes, sir; I will.

Senator DECONCINI. I kind of hope that's the case knowing how many acres you folks have out there, you and Senator McClure.

Mr. BURFORD. Maybe we can make available some of the Forest Service acres for you. [Laughter.]

Senator DECONCINI. Well, we would take that, too, I can assure you. [Laughter.]

Mr. BURFORD. I don't think the Forest Service would like it.

Senator DECONCINI. I don't think they would either.

Senator MCCLURE. Thank you, Mr. Chairman.

Same Government, different agency.

OIL AND GAS

Let me start with a question on oil and gas. The fiscal year 1988 budget anticipates that the total number of existing leases will drop to 100,000 from 117,000 in fiscal year 1987. The number of leases in producing status will remain the same at 17,000 as well the anticipated revenue, $1 billion.

In addition, you do not anticipate either of the total number of leases or the number of producing leases on Indian lands that is 14,000 existing leases and 4,000 producing, you don't expect any change there in fiscal year 1988.

Do the existing number of producing leases indicate that the BLM does not anticipate a change in the oil and gas industry on Federal lands?

Mr. BURFORD. The first part of that statement in referencing the number of Federal leases is correct; we expect the number is going to drop. That is because there is little activity at the present time, and some of those leases will be relinquished. We anticipate the relinquishment when they come back to us at the end of their term. They probably will not be applied for again. Those are probably wildcat leases, and I think that figure is about 17,000.

As you know, in your neighboring States of Wyoming and Montana, the oil activity is down greatly; and the number of rigs working in those two States as well as in New Mexico and all the oil patches is down. We anticipate that the wells that are producing now will continue producing.

Senator McCLURE. But your figures would indicate and your statement supports the expectation that there will be no great change in the level of activity?

Mr. BURFORD. That's correct.

Senator McCLURE. Now this budget was put together some months ago and those projections were merged into that statement some months ago.

Mr. BURFORD. Yes, sir.

Senator McCLURE. Have the events of the last several months caused you to change your mind, or do you still anticipate very little change in the level of activity on public lands.

Mr. BURFORD. As you know, the price of oil has come up some over the past several months, but the analysts that work in the Bureau of Land Management as well as the departmental analysts do not think that that increase in the oil price is enough to spur activity on the public lands of the West.

We have a certain amount of activity and interest still in some of the larger offshore fields administered by the Minerals Management Service and a great deal of interest, as Congress knows, in the ANWR Plain. However, as far as the small onshore fields are concerned, we have to recognize that a good many of the best prospects onshore have been drilled and either found lacking or else they have been developed. So we do not anticipate that the small increase we've seen so far will bring about any great increase in overall activity.

SHUT-IN WELLS

Senator McCLURE. What have you done and how successful have you been in prevention of premature shut-in in wells?

Mr. BURFORD. We instituted a program for stripper wells and for wells which approach an economic condition which makes it uneconomical to continue production whereby we would allow those leases to continue without production, so that we would not lose the wells and they would not have to be cemented in.

Our regulations require that if production ceases, that well has to be sealed and the lease terminated. We suspended those regulations, the Secretary did, because we were seeing a lot of stripper wells shut down because they were uneconomical. We did not think that we should lose the investment that the private industry had put into those wells, and so took that means of keeping the wells, as you might say, alive.

NATIONAL WILDLIFE FEDERATION LAWSUIT

Senator McCLURE. Let me shift to another subject. The final resolution of a lawsuit by the National Wildlife Federation is uncertain with respect to withdrawal processing and review. Because of that the BLM is proposing a decrease of $500,000 in that program. This decrease will be accomplished by deferring the number of withdrawal review cases by 50 and the waterpower cases by 50.

In February of last year, a little over 1 year ago, Judge Pratt of the U.S. District Court for the District of Columbia granted a preliminary injunction in this case.

You all anticipate, however, that the workload allowed under the terms of the preliminary injunction order will remain significant. When do you anticipate the lawsuit to be settled?

Mr. BURFORD. I don't believe I have enough knowledge about which way Judge Pratt's going to go and when he's going to make a decision. I had hoped that this lawsuit would have been settled 1 year ago. It has not, and we have not seen any activity on it.

I told Senator DeConcini that I would get something from the attorneys on the exact status. But we have appealed part of that to the court of appeals and it may be that the court of appeals will act before the judge decides and remand the case back to him. It would appear from what my attorneys tell me, that the appeals court might remand the case back to Judge Pratt because very little evidence was taken in that suit.

Senator MCCLURE. Could you submit for the record an evaluation of, as you have already suggested to Senator DeConcini you would do, the status of that lawsuit?

But I'm a little concerned as to whether or not the level of activity that you have proposed in your budget is constrained by the lawsuit or whether you have actually cut back more than the lawsuit requires.

So would you include in that submission for the record the terms of the preliminary injunction and how they impinge upon your decisions with respect to reviews and the level of reviews that you could do under the preliminary injunction as now existing.

[The information follows:]

STATUS AND TERMS OF NATIONAL WILDLIFE FEDERATION LAWSUIT

The U.S. District Court for the District of Columbia has issued a preliminary injunction, not a final ruling, on the merits of BLM's withdrawal and classification review procedures and processes which have been challenged by the National Wildlife Federation. On February 10, 1986, the U.S. court for the District of Columbia modified its preliminary injunction order of December 4, 1985, which enjoined BLM from, among other things, modifying, terminating, and revoking withdrawals and classifications which were in effect January 1, 1981. On March 10, 1986, the Federal defendants filed Solicitor's guidance with the district court which stated that the Secretary could not terminate any withdrawals pursuant to section 204(1) of the Federal Land Management and Policy Act; however, all bureaus could continue to review existing withdrawals and prepare recommendations to BLM.

BLM then issued specific instructions to the field offices to implement the guidance filed with the court to continue withdrawal and classification reviews at the field level. Each State office was instructed to conduct on-the-ground inspections, prepare field reports, obtain rejustification statements, and prepare recommendations for future actions. These cases are retained at the BLM State offices pending a final ruling on the lawsuit. BLM and all other applicable Federal agencies are expected to continue to fully cooperate in the withdrawal review process by meeting established schedules for submission of appropriate case documentation in order to meet the congressionally mandated withdrawal review deadline of 1991.

On April 11, 1986, the Government filed an appeal of the district court's injunction with the Court of Appeals for the District of Columbia Circuit. Thereafter, in July

1986, NWF filed a motion for summary judgment. On September 5, 1986, the Government filed its motion for summary judgment in the district court and also filed a brief in support of its appeal of the preliminary injunction with the court of appeals. On January 30, 1987, the court of appeals announced that it had scheduled oral argument in the case for April 27, 1987. However, the district court has yet to rule on the aforementioned cross motions for summary judgment and it is unclear at this time when the court is likely to rule on these motions.

I. ESTIMATED TIMEATABLE FOR COURT ACTION

A. DISTRICT COURT

Motions for summary judgment have been pending since September 1986. We anticipate that a decision on these motions will be issued within the next 1 to 6 months, but hopefully not later than July of this year.

Possible outcomes on the cross motions for summary judgment include: (1) the Government wins outright and the case is dismissed; (2) NWF wins a permanent injunction against the program until all alleged deficiencies are corrected; and (3) no permanent injunction is issued, but a trial is set for case-by-case adjudication of BLM's withdrawal review procedures.

Within 60 days of receiving the district court's decision, it is probable that one, or perhaps several parties will file appeals. Such appeals will probably not be exhausted for at least another 12 to 15 months. The time estimate for appeals includes: formulating legal strategies and gathering data (2–3 months); briefing the appeal (1–2 months); preparing for oral argument (1–2 months); and waiting for a decision (5–7 months).

Because of the complexity of this litigation, its myriad issues, and the number of parties involved, it is unlikely that the minimum times projected in this estimate will occur in every instance.

B. COURT OF APPEALS

After oral arguments are heard on April 27, we estimate that it may take 1 to 6 months before a decision will be issued. If the district court rules on the cross motions for summary judgment before a decision on the appeal of the preliminary injunction can be made by the court of appeals, the appeal of the preliminary injunction would be moot. If the court of appeals overturns the preliminary injunction before the district court rules on the merits of the case via the pending motions, there may be an opportunity to take some actions currently enjoined by the district court until that court issues its decision.

The preliminary injunction does not affect the processing of new withdrawals. It also does affect BLM's ability to revoke withdrawals to allow State selections or native conveyances in Alaska. The preliminary injunction did not prohibit or affect the construction of the all American pipeline project or any activities related to the U.S. Forest Service—Summit County School District land exchange. In addition, the court amended the preliminary injunction to permit completion of seven land transactions which were authorized by Congress. The court had also issued orders declaring that the preliminary injunction does not apply to certain geothermal operations within the Coso Known Geothermal Resource Area on the China Lake Naval Weapons Center lands.

LACK OF ACTION ON LAWSUIT

Senator MCCLURE. I think it's also fair to say that it doesn't strike me as being a very good way to run a railroad to have a preliminary injunction that was issued over 1 year ago and nothing has been resolved. That doesn't look to me like vigorous prosecution of a lawsuit.

Mr. BURFORD. Well, I think we are dependent upon the judge in this case; and he has chosen not to take any action. I don't know about the legislative side of things, but I can tell you for sure——

Senator MCCLURE. Judges have to file a certification that all pending matters before them are being resolved in order to draw their pay check. Now that will get their attention.

Mr. BURFORD. If you will originate that in Congress, I'll see that——

Senator MCCLURE. It's already in the law. All you have to do is apply it. Maybe all you have to do is raise the question and Judge Pratt will finally dig out from that great pile on his desk or somewhere a matter that seems to just be kind of on hold over there because nobody is pushing.

Mr. BURFORD. My push may not be felt in the Justice Department, but I've been pushing since this lawsuit was instituted.

Senator MCCLURE. Make an inquiry under the Freedom of Information Act to see his affidavit on pending work.

Mr. BURFORD. All right. I may have to come and consult with you in the presence of my attorneys so I can get this exactly straight, Senator.

TIMBER SALE PROGRAM

Senator MCCLURE. On forest management you have proposed a 16-percent reduction for fiscal year 1988. That's $1 million. According to your justification, commercial timber sales will only be held where revenues cover costs, where communities are substantially dependent on BLM timber for employment or where harvest is necessary to maintain the health and productivity of forests.

The Bureau will focus its efforts on a Timber Sale Program of 60 million board feet, which is a reduction from the fiscal year 1987 level of 75 million board feet.

What criteria will you use to determine whether a community is substantially dependent on BLM timber for employment?

Mr. BURFORD. I think we have that information in our local offices as to the amount of cut that we supply. I think some of the northern Idaho communities are dependent upon our supply.

Senator MCCLURE. I have some further questions I'll submit in connection with that Timber Sale Program.

OREGON AND CALIFORNIA TIMBER SALES

I would like to shift to the O&C grant lands which are a slightly different question. In fiscal year 1988 you are proposing to offer 1 billion, 10 million board feet of timber on O&C land for sale. Your justification indicates that this 15-percent reduction from the fiscal year 1987 level will save $3.4 million and will not have an adverse impact on the actual harvest because of the availability of timber sold in previous years but not yet harvested. You give that figure, I think, at 200 million board feet.

You indicate that the impact of this proposal on actual harvest will be minimal. But are there other impacts that may be significant? Part of what I'm getting at is that surely there is some volume under contract that is unharvested.

Mr. BURFORD. Yes, sir; there is considerable volume under contract that is not harvested, and it looks as if some timber purchases are going to let those contracts go by the board and force us to sue for recovery of the bid amounts.

Senator MCCLURE. If that happens, of course, your harvest level goes down.

Mr. BURFORD. Yes, sir, if that does happen our harvest level will go down. We have had one sale which has already been turned back to us, one of the old, high-priced sales.

Senator MCCLURE. Would you provide for the record a tabulation of the amount of timber offered and reoffered compared to the amount of timber harvested on O&C lands.

Mr. BURFORD. We can submit that for the record.

Senator MCCLURE. And the amount of timber under current contract on O&C lands.

Mr. BURFORD. Yes; I don't think we have those figures with us.

Senator MCCLURE. You can submit it for the record. That would be good enough.

[The information follows:]

O&C GRANT LANDS TIMBER PROGRAM

BUREAU MANAGED LANDS IN WESTERN OREGON[1]

[Million board feet]

Fiscal year	Offered	Harvested
1986	1,434	1,204
1985	1,160	1,194
1984	1,071	1,039
1983	1,049	812
1982	1,112	341

[1] Includes volumes from O&C lands and intermingled Public Domain and Coos Bay Wagon Road lands.

As of February 1987 the Bureau had timber sale contracts outstanding in western Oregon covering 5.3 billion board feet. Of this volume, 2.5 billion board feet has been harvested and 2.8 billion board feet remains unharvested. The western Oregon lands managed by the Bureau consist primarily of O&C lands but also include intermingled Public Domain and Coos Bay Wagon Road lands.

WILD HORSES AND BURROS

Senator MCCLURE. I want to turn to wild horses and burros for a minute.

Mr. BURFORD. Yes, sir.

Senator MCCLURE. You wouldn't expect to get by one of these without talking about them. [Laughter.]

Mr. BURFORD. I would expect Senator Reid to be very interested in this subject.

WILD HORSES IN NEVADA

Senator MCCLURE. I continue to be concerned about the number of horses on the ranges in Nevada. I think we have a pretty good handle on the populations where they exist in Idaho, and I want to commend

the BLM for the program and the management of the program as troublesome and difficult as it is.

But has the Bureau been able to come to an agreement on the number of wild horses that the Nevada ranges can sustain under multiple use concepts?

Mr. BURFORD. We are getting pretty close to completing our management plans out there for numbers of animals, and we have a tentative figure of 19,000 as what we would like to get to.

Senator MCCLURE. Is that the current population?

Mr. BURFORD. No, sir; that's the——

Senator MCCLURE. That's the target population?

Mr. BURFORD. That's the target. We still have about 10,000 excess. We recently were——

Senator MCCLURE. In Nevada?

Mr. BURFORD. Yes, sir; and I don't know how many excess in Wyoming.

Senator MCCLURE. How many of those 10,000 are you going to get rounded up?

Mr. BURFORD. If the courts in Nevada continue to act as they did in the *Fallini* case, it's going to go very fast because they've ordered us in that particular case to get down to management levels within 30 days. We're planning to gather about 5,000 in Nevada in 1988.

Senator MCCLURE. What is the natural reproduction on a herd of 29,000?

Mr. BURFORD. On 29,000, if you figure about 16 to 17 percent—well, 20 percent would be——

Senator MCCLURE. It would be about 6,000.

Mr. BURFORD. Yes, sir; that's close.

Senator MCCLURE. And if you take off 5,000 are you gaining or losing ground?

Mr. BURFORD. We're probably staying even if we get 5,000 off.

Senator MCCLURE. Well, if they've got a low birth rate and you round it off to the lower end you might end up with the status quo, but you are not really reducing the problem, are you at 5,000 roundup?

Mr. BURFORD. No; what we need to do in Nevada is to take 10,000 head off the range, reduce the population to 19,000 and then continue rounding up enough each year to keep that down. Our population studies do indicate, I would say, 16 to 20 percent reproduction rate in those herds.

Senator MCCLURE. So that's some 3,200 to 4,000 per year.

Mr. BURFORD. Yes, sir.

Senator MCCLURE. Even once you get to a stable population.

LACK OF SALE AUTHORITY

Mr. BURFORD. If we had sale authority and could sell the horses we take off for about 3 years, we could reduce those herds to the point where the adoption program would take care of all the surplus.

Senator McCLURE. I think you have the authority. I don't know that you've got the nerve.

Mr. BURFORD. I have the authority to kill them. I don't have the authority to sell them, and I think you're right, I'm not sure I have the nerve.

Senator McCLURE. I understand that dilemma because it's a very emotional issue on many hands. But if you've got 10,000 just in the State of Nevada to remove to get down to the target levels, and 3,200 to 4,000 per year to maintain those levels, and you can't kill them and you can't get people to adopt them, then the follow-on question is where are you going to put them? Are you going to build another corral?

Mr. BURFORD. I have no answer to that question. I can't even go back to my office and look it up for the record because I'm not sure there is an answer.

Senator McCLURE. Well, you've got to get them off the range.

Mr. BURFORD. Yes, sir.

Senator McCLURE. The law says that, doesn't it?

Mr. BURFORD. Yes, sir.

Senator McCLURE. It doesn't take a judge to tell you that.

Mr. BURFORD. No, sir; I can read.

Senator McCLURE. Well how are you going to do it?

Mr. BURFORD. Well, we are going to try to continue to take as many off the land as we can, and try to get down to management levels.

Senator McCLURE. Where are you going to put them?

ADOPTION EFFORTS

Mr. BURFORD. We moved about 9,000 animals last year through the adoption program, which is a higher level than we've had, I believe, in any other year. I think that the annual level of adoptions when I first came into this job was about 5,000. So we have managed to increase adoptions considerably.

We are working with some prisons, including the prison in Nevada and the prison in Colorado. We now have a proposal from the prison in New Mexico where they will take the horses for a certain length of time and halter break or, in some instances, break them to ride. This should make the horses more adoptable to go out to the general public.

We are trying everything we can to enhance the adoption program and move those horses. However, I think that we may be forced into removing some of those unadoptables by methods of euthanasia.

Senator McCLURE. Well, obviously, I'm sympathetic with your dilemma.

Mr. BURFORD. Yes, sir; you have been sympathetic with it for years.

Senator McCLURE. But we've got to do something about them. We have been able to appropriate enough money for you to put them in pastures and feed them.

Mr. BURFORD. Yes, sir; you have.

Senator McCLURE. But that's not a permanent solution.

Mr. BURFORD. No, sir; it is not.

Senator MCCLURE. I've got a number of people in Idaho who are going broke in the cattle business who would like to get into this new growth industry. So if you are going to start paying people to take care of horses, I've got some candidates up there that would like to enter into a contract with you to feed them. Hay is cheap this year and I think you would make a good contract this year, but you've got to do the rounding up. I don't think they're going to go out and do that.

I don't mean to abuse you, but the law is very clear. They have got to get off the range. The judge is right. You have a clear statutory mandate, but you don't have a clear plan or procedure to achieve what the statute says you should do.

WILD HORSE AND BURRO ADVISORY BOARD PROPOSAL

Mr. BURFORD. We have before the Secretary at the present time a five-point program which was suggested by an advisory board on wild horses, and the Secretary will make a cut on that plan. If he does, then I will start out on that plan. I would be glad to send you a copy of that plan just as soon as he makes a cut on it.

Senator MCCLURE. I would appreciate that. Of course, I have a copy of the recommendations from the advisory board. And I would take this time only because you know what the problem is and I know what the problem is, but I don't think the public knows what the problem is.

Mr. BURFORD. Well, as you stated earlier, it's a very emotional issue. Senator Reid has organizations in his home State that if I went to one of their meetings I think I might get mobbed or lynched.

Senator MCCLURE. There is a pasture out near Middleburg that I wish you would bring about 5,000 of them. [Laughter.]

Mr. BURFORD. I'm not sure that Senator Warner would be in favor of that.

Senator MCCLURE. Well, he might change his view about whether or not we have a problem. [Laughter.]

As long as it's 2,500 miles away he doesn't mind. I would like to bring it a little closer to home. There would be some people in this area of the country who would recognize a problem if they saw them, but they don't recognize the problem now.

Every major city has humane shelters and humane societies take care of excess populations of dogs and cats. Horses are supposed to be a part of the West; and, therefore, we're supposed to have however many will breed. That simply is not a viable alternative.

Every study, every analysis, and every review tells us the same thing. We've made a little progress in the last, what, 3 or 4 years since we started putting the money in enhanced roundup and feeding because the range management is your primary objective and your primary responsibility.

These horses are destroying public land values. You know that, and I know that.

Mr. BURFORD. It's been said that you can shoot Bambi's mother, but you can't shoot a horse.

Senator MCCLURE. I haven't even suggested shooting Bambi's mother. [Laughter.]

But it is an emotional problem, and somehow we have got to get through to the public that this isn't a problem that benefits from benign neglect. It isn't something that's going to go away. It only grows 16 to 20 percent a year, and somehow we have to cut through this.

Mr. Chairman, I'm sorry to have gone on so long on this subject, but somehow I keep hoping that if we have enough hearings and enough statements from witnesses, from the administration, and enough comments about the scope of the problem that we'll gradually build a tolerance for the administration of a program that is absolutely necessary.

I have a number of other questions which I will submit for the record.

I would also ask unanimous consent that questions submitted by Senator Domenici be submitted for response in writing.

Senator REID. Without objection, that will be the order.

Senator MCCLURE. And I thank you, Mr. Chairman.

WILD HORSES IN NEVADA

Senator REID. Senator McClure, I have some additional questions on this range and wild horse and burro program. I don't know if you are aware, Mr. Burford, but in northern Nevada where, of course, most of the horses are in that area we have had an unfortunate incident lately around the Reno area where they have been shooting the horses.

Are you aware of that?

Mr. BURFORD. No, sir; I am not.

Senator REID. They not only have been shooting them, but they have been really torturing the animals before they kill them. It's been a very brutal thing. One mare with foal, they not only shot that horse, but they cut the horse's throat and took out the unborn colt and killed that. So it is an emotional issue, and that's something you should look into. That has been headline stuff in northern Nevada for the past week. There are rewards out for the people that have done that to the horses.

Mr. BURFORD. I imagine that if these are wild horses, I'll probably have a report on it this weekend. Our news clips from the field come in at the end of the week. So I'll probably be seeing the news stories on it. However, it has not been brought to my attention before now.

Senator REID. Mr. Burford, have any of your experts determined why Nevada has so many wild horses compared to other places? The range lands of course aren't as good as the range lands in other places, for example, in Idaho. Why do we have so many wild horses in Nevada?

Mr. BURFORD. I don't know. It happened before I got here. [Laughter.]

Senator REID. I'm sure there must be studies.

Mr. BURFORD. Well, there is one thing about it, Senator, as you know, 86 percent of Nevada is public land. There is a lot of isolated rangeland out there, and 50 years ago a lot of ranches ran those horses as a form of livestock, and some continue to do it.

Senator REID. But, of course, in other parts of the West we have a lot of public land, Utah, and a lot of places have public land, but not the problem with the horses.

Mr. BURFORD. Well, I can tell you from personal knowledge what happened in Colorado is that those horses were rounded up prior to the passage of the Taylor Grazing Act and were shipped to slaughterhouses or wherever. The last wild horses on the actual desert in Colorado, that I can remember seeing three out there, was when I was very young. They have disappeared, and there were no other horses there.

The only herd of wild horses in that immediate vicinity is not really a herd of wild horses. They are some horses that a rancher ran out there, and he refused to acknowledge them because he didn't want to pay trespass charges on them. I think that's true about some of those herds in Nevada.

Senator REID. Why don't you check around in the Bureau and find out if there have been any studies done to determine where they came from and why they are there.

[The information follows:]

LARGE WILD HORSE POPULATION IN NEVADA

When the Wild Horse and Burro Act was enacted in 1971, there was a large number of feral horses on the public lands in Nevada, partially a result of the longstanding practice by ranchers to allow these horses to utilize their Federal grazing allotments. The feral horses presented an opportunity for economic return without any significant investments. The herds were periodically harvested by the grazing permittee or others by removing the younger, higher quality animals for sale or personal use. There was no investment required because BLM did not collect any grazing fees for feral animals. It is believed that, due to the large amount of public land in Nevada, this practice was more common than in other States where private landowners would not tolerate the existence of such herds. Upon enactment of the Wild Horse and Burro Act, grazing permittees were given a short period of time to round up any horses that they claimed as their own. Since the permittee would have been required to pay a grazing fee for each claimed animal, many ranchers simply chose not to claim any of these feral horses. Thus, Nevada started in the program with a larger number of horses than any other State; and that situation carries forward to today.

HERD MANAGEMENT LEVELS

Senator REID. In the range program you're proposing a reduction of some $6 million from the base program or a reduction of almost 11 percent. This is based on the assumption, I understand, that the Wild Horse and Burro Program can continue removals in excess of 10,000 animals in 1988, although that's somewhat different from what the response was to Senator McClure, and have over 10,000 adopted in 1987 and again in 1988, and that the overall cost of the program will decrease.

Where are we in overall terms of reaching the desired management levels of wild horses and burros? Is that any different than the response to Senator McClure?

Mr. BURFORD. No; we are continuing to try to reach those——

Senator REID. Are those numbers right though?

Mr. BURFORD. I sense a discrepancy in the numbers and I can't——

Senator REID. We have that from page 88.

Senator MCCLURE. I think my question was with respect to Nevada only, and these figures would be for the West in total.

Senator REID. That very well could be.

Mr. BURFORD. That's what the difference is.

Senator REID. That is where I was confused. This might apply to the overall program.

Mr. BURFORD. Yes, sir.

Senator REID. Now do you feel that this money, which is a reduction of some 11 percent, is enough to handle the program that you have to do?

Mr. BURFORD. Yes, sir.

Senator REID. The reason I'm concerned, and this is in keeping with some of the statements that Senator McClure made, is I've been to some of the facilities where those horses are kept in corrals and that's an ongoing expensive program. I'm surprised that you could cut the program 11 percent and still maintain what you're saying you can do.

Mr. BURFORD. We have a decrease from the 1988 base on the horse program in excess of $3 million, about $3.4 million.

Senator REID. Increase?

Mr. BURFORD. It's a decrease of $3.4 million. I think that's on page 88.

Senator REID. My figures are a combination of the horse and range program. So that's where that discrepancy is.

There is no question that Nevada has the largest number of remaining excess wild horses and burros of any of the western States. We all agree on that; isn't that true?

Mr. BURFORD. Yes, sir; I agree.

Senator REID. And I think that you told Senator McClure that we have about 30,000 animals in Nevada, horses and burros.

Mr. BURFORD. I think 29,000 is the figure.

Senator REID. Pardon me?

Mr. BURFORD. I think 29,000 is the figure.

Senator REID. Yes; that's the figure that I have.

Mr. BURFORD. That's what our plans show, and I think our grazing plans in Nevada are about complete.

Senator REID. And you want to cut that down to 19,000, is that it?

Mr. BURFORD. That's what we estimate that management levels will be after the completion of all the range planning. It looks as if the level in Nevada will be in the vicinity of 19,000.

REMOVAL RATE IN NEVADA

Senator REID. You've told Senator McClure that you would like to remove about 5,000 in Nevada, excess animals in 1988?

Mr. BURFORD. Yes, sir; I did.

Senator REID. Again this was talked about a little bit before, but we didn't get a final answer. If you did remove 5,000 excess animals in 1988 how long would it take to achieve the desired management levels when we have already established that the reproduction rate of approximately 30,000 animals would almost be that much to begin with?

Mr. BURFORD. If we continue at about a 5,000 removal level until 1991, I think it would be more than 5,000. We would have to take 20,000 to 25,000 animals off between now and 1991 to reach that 19,000 head level. We would need to remove that many animals into 1991.

Senator MCCLURE. Would the Senator yield?

Senator REID. Of course.

Senator MCCLURE. Well if the reproduction level is 20 percent and you remove 5,000, you are losing ground.

Mr. BURFORD. That's right.

Senator MCCLURE. If the reproduction level is 16 percent, that is only 4,650, and you would then gain 350 per year which takes a lot longer than from now until 1991 to get 10,000 off.

Mr. BURFORD. Last year we accelerated these removals, and I think that because we have already achieved management levels in some of the other States, we will be able to concentrate in the future in Nevada. I think that Wyoming is fairly close to its management level, and Idaho is either at or below the levels because we generally get down to a little below the management levels when we make a gather, and then let them build back up to a certain level.

Senator MCCLURE. Well, if I look at your figures correctly, and I'm sorry to interrupt my friend——

Senator REID. No; please go ahead.

Senator MCCLURE. If the numbers are as high as 45,000 animals and their reproductive rate is 16 to 20 percent, that could be as high as 9,000 more every year. If your removal rate is 10,000 you are not gaining on that program fast enough to tell us you can get to a specific level of the management level you're attaining in anything like 3 years.

Now I know OMB can cut your budgets, but OMB doesn't talk to the stallions.

Mr. BURFORD. We think that most of the other States are at management levels. We are not going to get down as quick as we would like to, but we are making a dent on the horse population.

Senator REID. I guess, Senator McClure, that this is an example of why people get upset at what we do in Government. Assuming for purposes of this discussion only, that you're right; and the herd level needs to be taken down to 19,000. It would seem to me that it would be much better if we took it down right now. That would be 10,000 animals compared to a minimum of 25,000 or 30,000 animals spread out over a long period of time; isn't that right?

Mr. BURFORD. Yes; if I had available money and available disposal for those animals, that is some place to put them, I think that would be the solution.

Senator REID. But my point is that what I've come to learn here on Capitol Hill in the 5 years I've been here is we do a lot of things with smoke and mirrors. We're really wasting the Government's money by spreading this out over a long period of time, aren't we?

Mr. BURFORD. I would agree with that.

Senator REID. Senator McClure, did you have more?

Senator MCCLURE. No; that's fine. Thank you very much.

WILD HORSE ADOPTIONS

Senator REID. Just a couple more questions on this. Let's talk about the adoption procedures, and these responses, if you would prepare and just respond to them in writing. That would be fine, but I'll just run over these questions that I have.

How many compliance checks did we run on the individual adoptions last year?

Mr. BURFORD. Do you have those questions written out, Senator?

Senator REID. Yes; I do. How many group adoptions were checked? We have heard that the Bureau does not actually check on the health and welfare of animals included in group adoptions and that, in fact, when the Bureau attempted 1 year or so ago to find out where the animals were that were involved in group adoptions that you were unable to follow up and determine what this is. I just need to know if that is an accurate statement.

Would you provide for the record a complete summary of the material on this issue, including summaries of BLM surveys, formal or informal?

[The information follows:]

WILD HORSE ADOPTION COMPLIANCE CHECKS

Bureau policy requires field inspections to ensure compliance with the private maintenance and care agreements which accompany group adoptions. In some instances in the past, it was impossible to identify each individual animal involved in a group adoption; however, all animals were accounted for prior to issuance of title. To facilitate identification, the Bureau now freezemarks the hip of all animals with larger brands.

In fiscal year 1986, 16 fee waiver requests were approved, involving applications for adoption of 2,555 horses. In each case, the facilities where the animals were to be maintained were inspected prior to approval of the adoption. In addition, one compliance check has been, or will be, performed within the first year of required care.

We are not aware of any instances in which the required compliance checks were not made or which would warrant the concern expressed by the committee.

GRAZING ENVIRONMENTAL IMPACT STATEMENTS

Senator REID. We are going to change topics, and I know that will break your heart. [Laughter.]

Mr. BURFORD. No; this is one of my favorite subjects. [Laughter.]

Senator REID. Grazing management continues to be the largest renewable resource program in Nevada. I understand that all the court ordered EIS's have been completed for Nevada, and the major emphasis needed in 1988 is monitoring of range condition as grazing plans are implemented and as developments are put in place.

Will the reduction proposed in the grazing budget hurt Nevada's ability to carry out these projects?

Mr. BURFORD. We are making a survey of our monitoring procedures and processes right now, and I would like to make that available to you when it's complete together with our plans to keep this on schedule.

You referenced the court settlement which took place in the *NRDC* v. *Morton* suit which, I might add, I don't think I would have agreed to had I been here. Nevertheless, I was bound by it, and we will complete all those grazing EIS's on schedule in 1988. They will be finished. We've started the last one.

Senator REID. In spite of the budget cuts?

Mr. BURFORD. Yes; the last EIS has been started in Wyoming and is scheduled to be completed in 1988, and I see no reason why it won't be. It's been a monumental task. The agreement was 144 environmental impact statements. One of the first was conducted in Senator McClure's State and it's kind of a monument to inefficiency. I think it probably cost over $2 million. Well, that was an estimate of what that grazing EIS cost.

Over the last 5 or 6 years we have managed to get the costs of those EIS's down—I think to about $400,000 an EIS now. We have managed to put them together in the planning process with resource management plans and go through the whole process at one time. We will complete them on schedule.

Several years ago nobody thought we could do it on schedule, but we will. I think it's a credit to the Bureau's field managers and their ability to use each other's knowledge and the experience they have gained. We had one of the EIS's challenged in court in Reno, and all the points in the case were awarded to our side. That decision has since been appealed, but we still think we've got a strong case. The judge said he did not want to appoint himself as grazing master of the State of Nevada.

ENERGY AND MINERALS MANAGEMENT

Senator REID. I'm going to change directions again. One of the few programs proposed for funding above the 1987 appropriation level is the Energy and Minerals Management Program.

Mr. Burford, I understand that Congress appropriated some almost $78 million in 1987 for the Energy and Minerals Management Program. Could you give us an update now as to how BLM's energy workload is being managed nationally in 1987?

Mr. BURFORD. I think some of that increase funding that you're looking at there is going into our Hazardous Waste Program, and $200,000 is the increase requested for mining law administration.

Senator REID. Let me be more specific, and you can give me a general answer in this regard and do that in writing. OK?

Mr. BURFORD. OK.

[The information follows:]

MANAGEMENT OF ENERGY WORKLOAD

The $77,872,000 appropriated for fiscal year 1987 includes both energy and nonenergy minerals managed by the Bureau. The energy minerals portion of the activity is $62,189,000 and $15,683,000 is for nonenergy minerals.

With regard to oil and gas for fiscal year 1987, the Bureau is processing lease applications, adjustments, and postlease permits on a pipeline basis; reducing its backlog of reservoir management work (KGS, drainage); and inspecting all of the high-priority inspections required by the Federal Oil and Gas Royalty Management Act [FOGRMA] of 1982. The Bureau is also working to complete the final rulemaking to reissue FOGRMA regulations. We will also complete work on the proposed rulemaking to streamline various provisions of the current leasing regulations of oil, gas, and geothermal and bring them into line with current program needs.

Section 119 of the 1987 appropriations act requires the Department to identify significant thermal features surrounding specified national parks and recreation areas. The Bureau has been working closely with the National Park Service and the Forest Service in the identification process. Additional reviews are also being conducted on all lease applications to ensure that development will not result in a significant impact to a thermal feature.

With regard to the Solid Energy Minerals Program, several types of actions are underway for 1987. One of the workloads is the processing of preference right lease applications [PRLA's] following many years of legal deliberation. In addition, the Bureau continues to respond to emergency applications for coal inside designated production regions and to applications filed for coal outside designated production regions. Guidelines for assessing the adequacy of coal hydrologic data are well underway and have been distributed for field office review.

In the Mining Law Administration Program, greater emphasis is being placed on qualitative aspects of several workload components. For example, the mining claim recordation output now includes land status determinations. Additional efforts are being expended to ensure NEPA compliance for all mining plans of operations. The bonding program is currently under review as part of a renewed effort toward ensuring successful reclamation of authorized mining activities.

MINERALS ACTIVITY IN NEVADA

Senator REID. More specifically, I understand that in 1988 the Energy and Minerals Program in Nevada will increase emphasis on surface management requirements by increasing efforts toward processing hardrock mineral plans of operations and notices of intent.

Nevada's estimated funding for these activities is $2.7 million, an increase of about 8 percent over the 1987 level. Do you think this is enough considering Nevada's increased workload in 1988 with everything going on there regarding mineral development?

Mr. BURFORD. We obviously think it is enough. We recognize that there is a lot of activity going on there, especially in the gold fields and cyanide leaching processes. They do require a lot of surface monitoring in that type of process. We have increased that program some, and we think that we will be able to keep it under control.

As you know, there have been some problems with ranchers and miners because of the large extent of those mining claims.

Senator REID. This is one of the first times in recent years that there has been that conflict. In fact, those of us who have been involved in Nevada government for many years, this is the first time we can ever remember it.

HAZARDOUS WASTE PROGRAM

How much hazardous waste money does the Bureau have available for 1987? Do you have those figures with you?

Mr. BURFORD. I'll ask my budget officer. He has the figures on that. We have had $1.8 million, Senator.

Senator REID. Pardon me?

Mr. BURFORD. We have $1.8 million. This is one of the few new programs which I have started. It became evident to me that we were getting problems with people dumping hazardous materials on public lands. I guess I first became aware of it when I heard about somebody using an abandoned coal mine in Pennsylvania and dumping a lot of hazardous material into that coal mine.

I knew that the Bureau had a lot of mines scattered throughout the West, and we started the program here. We spent most of our money trying to identify areas where materials had been dumped. In some places we have had to spend some of the money in picking up barrels of cyanide or whatever is there. We've had one site in New Mexico where we're doing some remedial action.

Senator REID. Mr. Burford, one of the projects listed in a report recently reviewed was the Union Pacific right-of-way project near Leath, NV. The hazardous waste at this site is some type of phosphorous which was buried in public land following derailment and partial burning of a tank car carrying material back in 1978.

I'm told that the Bureau was to have completed an investigation on this site last year, and discussions were planned with the Union Pacific Railroad regarding its cooperation on the cleanup.

Do you personally know the status of this now?

Mr. BURFORD. Yes; the State and the Bureau cooperated in an investigation of that site. I don't know what the title of the State agency is, but it's obviously the environmental agency of the State. After an investigation they concluded that the material was not spreading, was in no danger of spreading, and that it was better left buried where it is buried. It did not present any hazard to human health or to the area around it.

WILDLIFE CHALLENGE GRANTS

Senator REID. You, of course, are familiar with the challenge grants. This is one way in which Congress tried to get critical wildlife habitat work accomplished so that the district staff would be able to cooperate with local environmental conservation sportsmen and other interested groups to get wildlife habitat projects started on the ground, so to speak.

For example, I'm told that the Bureau has allocated $263,000 this year for recovery activities related to the desert big horn sheep; and $50,000 of that is earmarked for Nevada.

What is the effect of this money being spent?

Mr. BURFORD. Well, the idea was to use the Government money as seed money and get some of the other wildlife foundations to match it.

In one instance, in California, I think it was friends of the desert big horn. We have also had cooperation from a similar group in Nevada to match funds, and then we have captured some of those big horn sheep in cooperation with your State game and fish department. We captured some desert big horns down around the Lake Meade area, if I remember correctly, and transported them into some areas where they had become extinct.

The program has been very successful in Arizona. We have reestablished several populations down there. The one in California, where they were having some health problems with the desert big horn sheep, they used some of that money to capture some of the lambs and bring them back to find out the cause. I think they are making some research advances there.

Senator REID. So you're satisfied with the program?

Mr. BURFORD. I think it's been a good program.

Senator REID. Mr. Burford, I hesitate doing this, but we have no choice. There is a vote pending now, and I have a number of other areas that the committee needs to go into. I have areas that relate to some of the recreation areas, I have questions that relate to some land exchanges that we're concerned about, construction, I even have something on the nuclear waste repository, Burton-Santini, the reclamation of disturbed lands and the wilderness study areas.

We can finish these, though, in probably half an hour. It will take me about 10 minutes to run over and vote. So this committee will stand in recess for 10 minutes.

Mr. BURFORD. I might tell you what I told Mr. Yates. If you leave me a question, I'll be thinking of an answer to it.

Senator REID. That's why I went over those general areas.

Mr. BURFORD. OK, Senator.

Senator REID. This subcommittee stands in recess until 3:25.

[A brief recess was taken.]

Senator REID. The subcommittee will come to order.

I appreciate very much, Mr. Burford your patience and your associates' patience.

RECREATION MANAGEMENT

Recreation is another program that we see as being cut in this budget that has been proposed. I would ask why is that, but I'm sure I would get the same response that you had to cut some place, that you had to meet certain goals and you had to cut and chop where you did.

One of the, what I refer to as the jewels managed by the Bureau is in the Red Rock area outside of Las Vegas. I pushed for land acquisition money in 1987 so that the Bureau could add the Suma Corp., land to the existing management area.

As you know, Suma Corp., since the death of Howard Hughes, is developing that area, some 25,000 acres, and it abuts the Red Rock recreational area. I understand that the budget proposed $3 million for rescission. The rescission, of course, has expired. Have the funds been obligated yet?

Mr. BURFORD. The funds haven't been obligated yet, but the funds held for rescission were released back to the Bureau on I think, either March 16 or 17. That Suma Corp., land package involves three things—a gift of so many acres, a purchase of so many acres, and an exchange of so many acres. We expect that to go forward.

Senator REID. How soon? When do you think you'll be able to spend those moneys?

Mr. BURFORD. I don't have any timetable on that.

Senator REID. Are we talking about 6 months or 6 weeks?

Mr. BURFORD. It will be some time in this year.

Senator REID. This calendar year or fiscal year?

Mr. BURFORD. Late this fiscal year, 1987, we think that it should be completed. I think those papers are probably all fairly close to being ready to go.

RED ROCK RECREATION AREA

Senator REID. I wonder if the Bureau is still managing the Red Rock visitors centers primarily with volunteers because that was the way it was being done for a while.

Mr. BURFORD. I don't know the answer to that. We've got two rangers there. The ranger program originally started in the California desert because we had a lot of crowds there. We have since put a couple of rangers into the Red Rock area and a couple of rangers on the Rogue River, and I think there are a couple more in Utah at Grand Wash. We've recently expanded that program.

Senator REID. The reason I've asked is I have gotten some inquiries as to why it wasn't open on a daily basis and why there wasn't a more professional level of interpretive services. I'm happy to hear that there are two rangers there, and that's more than we had before. So we're making some headway.

Mr. BURFORD. BLM rangers were, up until last year, confined to the California desert, except some of them were moved in the summertime around to other spots where there were concentrations of people. We have found that a uniformed ranger presence does help in crowd control and in keeping down some of the boisterousness that sometimes goes on in some places.

PROTECTION OF ARCHAEOLOGICAL SITES

Senator REID. One of the areas that I'm concerned about with the burgeoning population all over the West is the mandate that you have to protect archaeological sites from illegal excavation damage generally.

We, of course, get complaints from some of the professionals in the area that the BLM isn't doing a good job of protecting these archaeological sites. What is your assessment of this?

Mr. BURFORD. Well, the Secretary of the Interior has recently instituted a program called Take Pride in America. With as many millions of acres as we have to manage, I don't think you could patrol all those acres if you had available the entire U.S. Marine Corps and one-half the Army. You're as familiar with that country as I am.

Senator REID. I would agree with that, but I think we should talk now not about the whole Army and the whole Marine Corps but about what you have there.

How many law enforcement staff does the Bureau have in Nevada as an example at any one time?

Mr. BURFORD. I'm going to call on Jim Parker. That's in his area.

Mr. PARKER. We have both special agents and law enforcement rangers.

Senator REID. We're talking just about Nevada now.

Mr. PARKER. Right, but we have both special agents and law enforcement rangers in Nevada. We have two special agents in Nevada, and we have two rangers in Nevada for a total of four law enforcement positions.

Senator REID. So that is 74 million acres of which the Federal Government controls 87 percent of it. So that's 1 ton of land for those four people to cover, isn't it, on a 24-hour basis.

Mr. PARKER. Well, they are not the only ones who do that. However, they are the ones with law enforcement authority.

Senator REID. For my edification then tell me what a special agent, what his function or her function is?

Mr. PARKER. Special agents are primarily investigators who investigate crimes against the resources.

PROSECUTION OF ARCHAEOLOGICAL CRIMES

Senator REID. Do you have a record as to how many prosecutions the BLM has brought in the last 5 years in Nevada for illegal archaeological activities?

Mr. PARKER. I can't tell you that for Nevada specifically. Nationwide, we've had 25 cases that have actually resulted in convictions under ARPA and other——

Senator REID. During the last several years?

Mr. PARKER. ARPA was passed in 1979. Most of those have been in the last 2 years, however.

NEED FOR ADDITIONAL POSITIONS

Senator REID. Would it be a fair statement to say that you simply don't have the manpower to do what is required by law for you to do?

Mr. PARKER. We have over 100,000 identified archaeological sites that would have to be patrolled and, as the Director said, there is probably not enough money in the Federal Government to put somebody at every one of those sites.

We are doing a lot of things with the National Guard, and we have a lot of law enforcement cooperative agreements. We have 38 agreements that deal specifically with archaeological sites.

Senator REID. I'm not here to argue with you. I'm on your side in this regard. But I think a fair answer to my question would be that you don't have enough staff to do what you're required to do. Isn't that a fair statement?

Mr. PARKER. Given all of our program priorities, we've had considerable growth in that particular area.

Senator REID. But, again, that's not a hard question to answer. Do you have enough people to do what you're required by law to do in this area?

Mr. PARKER. Again, given the priorities, we think that's as many law enforcement people as we can balance with the other needs that we have.

Mr. BURFORD. We have had some unsuccessful prosecutions, too like the one in Utah. There were a lot of special agents from the Forest Service and the Bureau plus some U.S. Marshals that searched houses and found some antiquities, but the trials did not result in any convictions in that particular case. It's very difficult to prove, once an artifact is in somebody's home, whether it came from private land or whether it came from public land. There is no way of recognizing exactly where it came from. We have had some sting operations which have been successful, and also some which have not.

Senator REID. Mr. Burford, I'm always amazed though, and one of the reasons that you sell well up here is that you're usually pretty candid with statements. We all know that there is a budget crunch and most of the Federal agencies are understaffed and you can't do the job because you're understaffed.

That is why I find some difficulty with whatever his name is that just answered the question.

Mr. BURFORD. Mr. Parker.

Senator REID. Mr. Parker, I'm sorry, just not saying it. I mean obviously there isn't enough staff and we can't do anything about it, but we are trying to build a record so that next year if we got lucky and there was more money around that we could help out your agency.

My personal feeling is that Mr. Parker and others shouldn't be embarrassed because we are short of money. It's not your fault.

Mr. BURFORD. I don't think that Mr. Parker means to convey that he's embarrassed, but with 100,000 sites I don't think we'll ever be able to afford the level of protection that some people think should be given to antiquities.

Senator REID. Of course, and I know that. I was born and raised there. But we can do a better job than what we've done.

Another thing I've certainly been impressed with since serving on the Appropriations Committee, which I didn't do on the House side, is that people like Mr. Parker, dedicated bureaucrats, are basically or at least give us the impression that they are afraid of OMB, for fear that if they veer from the line just a little bit in giving testimony that's from the heart and honest that somehow they are going to get in trouble with OMB.

It's a very simple question. I asked wouldn't it be better if you had more staff, and he wouldn't answer the question. I just think that that's being unfair to the committee and certainly to the Bureau of Land Management.

PUBLIC EDUCATION PROGRAM

Mr. BURFORD. Well, as I stated, we are starting a program of trying to educate the public on proper behavior regarding archaeological sites, and that is a nationwide program. There are a number of TV 30-second and 60-second spots which will emphasize that those places do belong to you and me, the viewing public, and that we should respect the fact that they belong to everybody. We should not be out there disturbing those sites, and we should treat all the public lands with respect.

We think that inasmuch as there are so many of the sites and so many acres in the public domain, in the Forest Service, Fish and Wildlife Service, and BLM that there is no way we will ever be able to patrol all of them. We do have to get to the public, through education, and some of the public you'll never get to.

Senator REID. Director, I agree. However, I think the educational activities are excellent and I think that's a good direction. Also tied in with that we need some selective prosecutions to make sure that those people who have no respect for the law and no respect for antiquities and archaeological sites, make sure that the word gets around that if there are people who veer from the line——

Mr. BURFORD. I think we're doing some things now that we weren't doing before. We are trying to get some prosecutions on which we would like to get publicity because one conviction of that type is very helpful in the rest of the community and the surrounding communities. But we face a tough problem in that those antiquities that we're trying to protect bring a lot of money in the New York and European markets.

Senator REID. You might want to consider, Mr. Burford, when you come back to this subcommittee, you might want to suggest a program just for this. We might even be able to find a little extra money for you to see if you and your staff can come up with a program for this, that is protecting antiquities. Maybe you might appoint a special group or something. I'm just thinking out loud, but it's something that we've got to look at now because if we don't take care of this now, we can't go back and do it later.

Mr. BURFORD. We have the same problem with some of our rare and endangered plants species, and one of the things we find is that it's best for us not to identify the areas where those plants exist. It's also best in some cases for us not to identify the areas where our archaeologists tell us that there are antiquities because if it's a public identification or if we put it in the paper, then it's subject to freedom of information. Then people go look up those reports and go out there to those sites.

We have done some novel things, I think, in siting some exploratory oil wells to protect antiquities. The archaeologist goes out to the area and if the well site can be moved a little distance to help protect an archaeological site around the bend, he will try to get the pad location moved so that the bulldozer doesn't go up to that site and there is no road into it.

I think that the people who work for the Bureau are more attuned to protecting archaeological and paleontological sites and things like that.

Senator REID. Good.

AEROJET LAND EXCHANGE

I'm sure that you've been involved in discussions regarding the land exchange involving the Bureau and the Fish and Wildlife Service which would exchange certain wetlands in Florida for Bureau land that is northeast of Las Vegas on the Clark-Lincoln County border. This is the Aerojet project.

Mr. BURFORD. Yes; that's Aerojet General.

Senator REID. How close are you and the Director of the Fish and Wildlife Service to completing your memorandum of agreement concerning the exchange?

Mr. BURFORD. Concerning exchanges particularly, we have a general memorandum of understanding between myself and the Fish and Wildlife Service Director that gives direction to our field people on how to work on these exchanges.

The actual work on that particular exchange is taking place between my State director and their regional director in Nevada. I don't have a report on exactly how far along they are. There are a lot of appraisals, environmental impact statements, a T&E report; and since it's an exchange across a State line, it will require legislation.

Senator REID. I understand that.

Mr. BURFORD. I know you're familiar with that provision of FLPMA. Well, there are two provisions actually that would make it necessary for us to come before Congress for approval because it's over 5,000 acres and it's across State lines.

Senator REID. You may not be able to answer this question in that you're involved in a lot of different things, but if you can't tell us now, could you supply in writing what we will need to do for the desert tortoise that is supposedly an integral part of the exchange, and are there any other wildlife impacts that need mitigation that I should be aware of and that we might need some extra money for?

Mr. BURFORD. We've made an inquiry on the desert tortoise question on the Nevada lands. From the plan that the company has, it appears that most of that land will not be occupied by any kind of habitation or any kind of buildings, and that it probably will not impact the tortoise too much. That will be in a report, though; and I will see that a copy comes up to you.

Senator REID. There is no increase in funding proposed for the land program in 1988 pertaining to exchanges. I wonder if you can give the committee assurance at this time that this and other high priority exchanges will be able to go forward in that the budget is such as it is.

Mr. BURFORD. Yes, sir; they will be able to go forward. We have been fairly aggressive in some of these exchange programs as Senator DeConcini previously referred to regarding Arizona. We have also done a lot of that type of work in Nevada, and we have proposals in some other States which we are working on and which will go forward.

The Suma Corp., exchange is being hampered by the National Wildlife Federation lawsuit also. So some of the delay, if there is delay, can be attributed to the lawsuit.

Senator REID. I understand.

PROPOSED YUCCA MOUNTAIN NUCLEAR WASTE REPOSITORY

I would appreciate an update on the DOE proposed site characterization studies for a nuclear waste repository at Yucca Mountain, NV. To your knowledge, has DOE requested a withdrawal for the lands in question?

Mr. BURFORD. They have not requested a withdrawal from us as of yet, and we think they need to consult with the State of Nevada a little bit more as far as that selection process is concerned.

Once again, the National Wildlife Federation lawsuit is affecting that particular withdrawal.

Senator REID. I would though like your assurance that the Bureau wouldn't issue any permit, withdrawal, reservation, or any other authorizing authority to DOE without first notifying the members of the Nevada congressional delegation and providing us with an opportunity to review the proposals. Could the four of us have that assurance?

Mr. BURFORD. Yes; I have no problem with notifying Congress.

Senator REID. Great.

BONDING OF HARDROCK MINING OPERATORS

In the 1987 appropriation bill there is language providing new procedures for bonding hardrock mining operators. Do you know if BLM's regulations have been revised to take this new law into effect; and, if not, could you provide that information?

Mr. BURFORD. I will ask Mr. Lawton to answer that question.

Senator REID. Thank you.

Mr. LAWTON. After the GAO report and other reviews of this, we have put together a task force to review the bonding of mining claims. This project is underway right now, and the target date for completion is May 1. We intend to make that date.

Senator REID. Thank you.

May I have your indulgence.

[Pause.]

Senator REID. While you do have the microphone, does the budget proposal that you've spoken of include additional money to address the hardrock mining reclamation issue or even to assess the extent of the problem?

Mr. LAWTON. Yes, sir; we are increasing our compliance reviews, nearly doubling them this year; and we will undoubtedly complete our backlog and be up to date on all of our compliance checks of both plans and notices.

Senator REID. I understand that a recent GAO report on bonding hardrock operators cited an example from Winnemucca, NV, where some 25 acres were disturbed by an unauthorized mining operator who

then simply went out of business leaving the land in a state of disrepair to say the least.

Because the Bureau had not required a bond, the Bureau now has to use appropriated funds to reclaim this site. For example, are these funds included in the 1988 budget request?

Mr. LAWTON. We don't have specific funds set aside for abandoned reclamation projects, but if they do come up we would cover them and attempt to find the party that did the damage and gain recourse from them.

Senator REID. This is a difficult area because when you say find the party a lot of times, of course, it's a company that has gone out of business. You're wasting your time and resources in trying to search for somebody that's a nonexistent company.

Mr. BURFORD. In our assessment as to whether bonding is necessary or not, we try to take a past history of individuals or companies into account. One problem with bonding is that it is getting increasingly hard for people to get bonding at any cost that they can afford to pay. It's a problem for those mining companies, and it's an added expense to any of them.

Senator REID. But there isn't an easy answer to that question, is there?

Mr. BURFORD. No; there is no easy answer.

Senator REID. For example, with the example just given to me, we don't have these moneys included in the 1988 budget. Yet there is a statement from the Bureau saying we can take care of it. But we know with the tightness of the money if you take money that it's going to have to come from some place, and that money is earmarked for something else. It makes it very difficult if that bond isn't obtained in the first place.

I have some other questions relating to the bonding matter, and I will submit those in writing. If you would give the answers to the committee I would appreciate it.

The Burton-Santini Act, Mr. Burford, provided for the sale of Federal lands in Clark County, NV, and the use of the sale receipts for the acquisition of sensitive lands in the Lake Tahoe basin in order to protect, of course, the fragile water quality of the lake. Since enactment of the act in 1980 Congress has provided the Forest Service with a lot of money in appropriated moneys for acquisition.

Do you have records with you to tell me how many acres BLM has sold in Clark County and how much money has been received to this date from the sale of these properties?

Mr. BURFORD. I don't have the acre figure here, but it's just short of $40 million in what the total sales have been up until 1986.

Senator REID. And that is money actually collected because they are cash sales basically.

Mr. BURFORD. Yes; that's right; 85 percent of that money went to the Treasury; 10 percent to the county, and 5 percent to the State.

Senator REID. Mr. Burford, I appreciate the testimony of you and your colleagues here today.

ADDITIONAL COMMITTEE QUESTIONS

The subcommittee, as I have indicated previously, I will have additional questions for the record, and I suspect that individual members will also have some additional questions to complete the record in areas of inquiry that they might have, and the committee would appreciate your prompt response if at all possible.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

GEOTHERMAL

Question: The actual number of competitive leases in the Geothermal program dropped from 120 in FY85 to 8 in FY86. In FY87 and FY88, however, you estimate that competitive leases will increase to 40. To what do you attribute this fluctuation?

Answer: During FY 1986, 1987, and 1988 the Forest Service and BLM will complete requisite planning and NEPA compliance on high interest lands that are in Known Geothermal Resource Areas (KGRA). We believe that if these lands are offered for competitive lease there will be bidding interest sufficient to result in the projected increase in competitive leases. During 1986 interest in leasing in the KGRA lands offered was low because those lands were not considered desirable.

MINING LAW ADMINISTRATION

Question: The Mining Law Administration workload data indicate that you are anticipating the number of mineral patent applications to double in FY87 (91 in FY87; 185 in FY88). Can you explain this increase?

Answer: The "91" patent applications referenced in the question for 1987 is our FY 1986 accomplishment, not the 1987 number. The 1987 and 1988 projected accomplishments are 185 for each year. The lower figure from 1986 is directly tied to several key adjudication positions being vacant during part of the year, which resulted in a marked reduction in output. The 1987 and 1988 figures are based on the current level of new applications being received, a number of applications being returned from the Administrative and Federal courts, and the resolution of backlogs in several States due to applicant title problems prior to 1986.

LOWER 48 LANDS PROGRAM

Question: In last year's justification, you estimated that 40,000 acres of land sale offerings would be made in FY86. This year's justification indicates that only 14,608 acres were actually offered in FY86. Can you explain this decrease?

Answer: Since last year's Justification was prepared, public demand for public land sales has significantly decreased. Only about one-third of the lands offered for sale ever result in a sale. In addition, the Bureau has begun to shift emphasis to processing more State and private exchanges, resulting in fewer acres being offered for sale in FY 1986 than originally estimated.

Question: An increase of $3,750,000 is requested in FY88 for the Automated Land and Mineral Record System in the Lower 48 Lands Program. This increase is part of a coordinated effort with the Data Management subactivity where a $4,781,000 increase is requested. The purpose of the increase is to eliminate the labor intensive manual records system first installed in 1955 and replace it with a more automated system. The goal is to have the new system implemented by 1992.

What is the current implementation plan, including annual funding requirements, for this program?

Answer: The development and implementation plan for the Automated Land and Mineral Record System includes these major milestones:

a.	Software Development	August 1988 - September 1988
b.	Status Data Collection	September 1984 - September 1992
c.	Legal Land Description Data	February 1984 - September 1988
d.	Geographic Coordinate Data	November 1987 - September 1992
e.	Equipment Acquisition	August 1989 - September 1992
f.	Pilot Testing	September 1989 - April 1990
g.	Bureauwide Implementation	June 1990 - September 1992

The funding requirements for each year are currently estimated as follows:

(in millions of dollars)

FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
$ 13.5	$ 37.3	$ 37.5	$ 33.2	$ 20.7

Question: What states will you focus on each year?

Answer: Right now, collection of legal land description data and automation of status data is ongoing in most BLM Western State Offices, with some phases of initial data entry completed in several States. BLM is planning to implement ALMRS in the two pilot States (Arizona and New Mexico) in late FY 1989 and continue testing the system in mid-FY 1990. After successful testing, implementation of the operational ALMRS will occur in Idaho, Montana, Nevada, and Utah later in FY 1990. In FY 1991 California, Colorado, and Wyoming will be brought on-line. FY 1992 the remaining States (Oregon, Alaska, and Eastern States) will have ALMRS capability.

Question: After the system is implemented, what will be the cost savings of the program?

Answer: The ALMRS feasibility study estimated that total system benefits will be $869.5 million. Of these benefits, projected personnel time savings resulting from increased individual productivity due to automation were estimated to be a total of $240-$320 million over the ALMRS project's 12-year life cycle.

Question: How will this new system facilitate the merger with the Alaska automated land and mineral record system in 1992?

Answer: In FY 1992 ALMRS will replace Alaska's current automated land and mineral record system. Implementation of ALMRS in Alaska will progress in the same orderly manner being scheduled for the Lower 48 States.

ALASKA LANDS PROGRAM

Question: You have requested an 18 percent decrease ($14,594,000 to $11,844,000) in the Alaska Lands Program. Despite this proposed decrease you indicate that there will be an increase

of Native conveyances and State conveyances of 100,000 acres each. Will there be a change in the emphasis of the conveyance program?

Answer: No. The emphasis of the conveyance program remains on conveying patents to lands selected by the State of Alaska and Native corporations.

Question: How much of the increase in conveyances can be attributed to funds provided in previous years?

Answer: The increase is a result of implementing the patent plan process, a more concentrated adjudicative effort, and reduced emphasis on less critical lands activities. The accomplishments achieved in FY 1988 will be the results of the 3-5 year timeframe associated with scheduling of work under the patent plan process in FY 1986 and FY 1987.

Question: What impact will this decrease have on conveyances in the future fiscal years?

Answer: Reduced FY 1988 funding may affect some current adjudication actions needed prior to commencing cadastral survey and could possibly result in fewer acres being patented in future years. However, future efficiencies from using the patent plan process, as well as organizational streamlining, should help to offset the effects of these funding reductions in the outyears.

Question: What effect will this decrease have on the 1992 merger with the lower 48 automated land system?

Answer: There should be no effect on coordination of Alaska's system planning and development with the schedule of the Bureau ALMRS development.

FOREST MANAGEMENT

Question: A 16 percent ($1,000,000) reduction is proposed in FY88 for Forest Management. According to your justification, commercial timber sales will only be held where revenues cover costs, where communities are substantially dependent on BLM timber for employment, or where harvest is necessary to maintain the health and productivity of forests. The Bureau will focus its efforts on a timber sale program of 60 million board feet, a reduction from the FY87 level of 75 million board feet.

What criteria will you use to determine whether a community is "substantially dependent on BLM timber for employment?"

Answer: The Bureau intends to use a number of criteria to measure the effect of its timber program on the local economy. First, we will look at the economic situation in the community and the role that wood products manufacturing plays in supporting the economy. At the same time, we will examine the effect of BLM timber on individual mills in the community. This examination is not limited to a simple percentage of raw material supplied, but involves a consideration of the marginal difference that BLM timber could make. For example, the amount of BLM timber used by a mill may be small; but it could represent the marginal amount that allows the mill to run at near capacity and thus accrues economies of

scale. A projection of supplies from Forest Service lands will also be a part of the consideration. All of the foregoing factors will be used to make a judgment on dependency. At this point, no specific numerical criteria have been developed for making this determination.

Question: What do you mean by "commercial" timber sales?

Answer: We generally identify "commercial" sales as those where the timber is of a size and quality to be manufactured into major forest products such as lumber or plywood. Sales of material that is best suited to firewood, posts and poles are not considered "commercial", even though the materials sold are sometimes used for commercial purposes.

Question: If Congress agrees with this reduction, in what states will the reductions be made?

Answer: It is the Bureau's intent to develop analysis procedures for examining cost effectiveness on a sale-by-sale basis. This should result in some sales being eliminated in every State. However, the analysis done to date indicates that the heaviest reductions would occur in Colorado, Wyoming, Montana and southern Idaho.

Question: If this reduction is enacted, what effect will it have on receipts?

Answer: Given the time lag between sale and harvest, the effect of the proposed sale reduction will occur mainly in receipts for FY 1989. The estimated reduction in receipts would be $300,000 to $400,000.

Question: How does the FY 1988 sales plan compare with FY85, FY86, and FY87?

Answer: A sale plan by State for FY 1988 will not be developed until the appropriations picture becomes clearer and further analysis is done. However, the anticipated offering of 60 million board feet (MMBF) in 1988 can be compared with the following total offerings:

Year	MMBF
1987	80.4
1986	86.3
1985	91.6

Question: Did you prepare a cost/benefit ratio of the areas proposed to be reduced?

Answer: No. A cost effectiveness criteria was used based on a gross evaluation of costs and receipts to determine that overall sale offerings would decrease to approximately 60 MMBF. A more refined evaluation on a State basis will be contained in the report requested by Congress. Again, it should be noted that the ultimate evaluations will be done on a sale-by-sale basis.

Question: In the FY87 Continuing Resolution, report language was included requesting the BLM to provide the Committee a report by

May 1, 1987, on the components of the costs and revenues by State of providing proper management of timber lands where "commercial" sales are offered and where "commercial" sales are not offered. What is the status of this report?

Answer: A draft of the requested report is currently under internal review. At this time, it appears that the submission of the final report may be delayed from 2 to 3 weeks.

WESTERN OREGON

Question: The Bureau has proposed a $914,000 reduction by eliminating separate forest management funding for public domain lands in Western Oregon intermingled with the O&C Grant Lands and Coos Bay Wagon Road lands. Historically, this funding has been combined with O&C funding.

What is the impact of this reduction for Western Oregon since you have also proposed a reduction in O&C lands of $500,000 in FY88 and since the O&C account will also be absorbing increased pay and retirement costs? ($54,524,000 to $53,937,000)

Answer: The O&C Grant Lands appropriation has historically been used to cover the bulk of the costs of managing all classes of land in western Oregon including public domain lands. The amount normally appropriated for western Oregon in the Management of Lands and Resources (MLR) account only covers a portion of the costs of managing these public domain lands. From a practical standpoint, the MLR funds have been combined with O&C funds and used to support the total program effort in western Oregon as described in the O&C portion of the Justifications. The reduction of $914,000 represents approximately 20 percent of the total reduction from base of $4,275,000 ($914,000 MLR + $3,361,000 O&C) for western Oregon. It follows then, that about 20 percent of the programmatic decrease described for the O&C program in the Justifications can be attributed to the proposed reduction in MLR funding.

WILD HORSES AND BURROS

Question: You indicate that the public lands will support between 25,000 and 30,000 wild horses and burros on about 200 herd management areas. At the start of FY88, it is estimated that 45,000 wild horses and burros will inhabit about 200 herd areas.

The FY88 wild horses and burros program calls for a reduction of $3.0 million from the FY87 level of $17.7 million. Part of this reduction will be made up from $2.0 million being redirected as a result of the emphasis on adoption and reduction of the numbers of animals in holding facilities during 1987.

The FY88 proposal will allow for the removal of 10,000 animals, up from the FY87 level of 8,500 animals. In addition, the FY88 year end population will be 42,200 animals, below the FY87 level of 45,000, but still well above the support level.

What additional funding would be required to reduce the population to 25,000? 30,000?

At this rate, and with a reproduction rate of 16-20%, how long would it take to reach management levels?

Answer: Reducing the population to 25,000 animals in FY 1988 would require the removal of 27,200 animals. The total program cost would be about $24,000,000 and would result in the carryover of 20,000 excess animals in maintenance facilities into FY 1989.

Reducing the population to 30,000 would require the removal of 22,000 animals at a program cost of about $21,000,000. Approximately 15,000 excess animals in maintenance corrals would be carried over into FY 1989.

It should be pointed out that, as a result of recently completed planning efforts, the ultimate appropriate management level will be slightly over 30,000 animals.

Question: If no additional funds are added, what area will the population inhabit?

Answer: We expect that herds would remain on nearly all 200 herd areas with the States of Arizona, California, Nevada, Oregon and Wyoming having the most significant populations (2-19,000 animals) and the States of Colorado, Idaho, Montana, New Mexico and Utah having smaller populations (less than 1,000 animals).

Question: How much will the adoption program generate in receipts in FY88? Are these receipts held until the next fiscal year or are they "redirected" immediately?

Answer: We expect to place 13,500 animals in adoption and to collect a fee averaging $32 on 12,000 horses and full fee ($75) on 1,500 burros, resulting in receipts of about $500,000. We typically plan to use receipts in the year that they are collected, but they can be carried over if unexpended.

Question: Do you plan to continue reducing the number of animals in holding facilities in 1988? If so, how much will this effort save?

Answer: If the program of removals and adoptions proposed for FY 1988 is completed, the number of animals in maintenance facilities would be reduced from approximately 7,300 to 3,100. This would result in a savings of an estimated $3.4 million in FY 1988 maintenance costs.

Question: In FY87, Congress requested the BLM to analyze the rate of adoption of excess wild horses and burros in relation to the planned rate of adoption for FY87 and report back by May 1, 1987. Do you have any preliminary recommendations on this report?

Answer: Based on analysis of adoptions as of March 30 (4,973) in relation to our midyear target of 4,720, we expect to meet our full-year target of 13,500 animals.

GRAZING MANAGEMENT

Question: What cost savings do you anticipate when the Bureau has the new automated grazing billing system fully implemented by the end of FY88?

Answer: We estimate that a cost savings of $270,000 per year will result when the new automated grazing billing system is implemented. This savings is related to the reduced time of personnel working with the system. In addition to the cost savings, the new system will provide better service to the public through simplified and faster processing of grazing bills. The new system has been developed and is currently being tested in our Miles City, Montana, District with full implementation expected by the end of 1988.

Question: In FY87, Congress provided $5,000,000 to the BLM specifically for grasshopper and Mormon cricket control. In the past, severe infestations have taken millions of acres of productive farmland out of production.

I know it is a little early, but do you have any indications on the magnitude of the FY87 problem?

Answer: The USDA, Animal and Plant Health Inspection Service has just published their grasshopper infestation map of 1987 based on fall survey results. These results indicate approximately 8 million acres of BLM lands have the potential for grasshopper outbreaks in 1987. As you know, it is too early to predict how many of these acres will develop into areas requiring control since much of the development of the grasshopper population is based on weather. However, in an average year we would expect that about 50 percent, or 4 milion acres, of BLM lands would require treatment.

Question: Since it is really too early to tell what amount is necessary, I would hope that these funds would remain secure until the season is over?

Answer: The Bureau intends to use these funds as needed for cooperative work with APHIS in controlling grasshopper and Mormon crickets on public lands.

CADASTRAL SURVEY

Question: You are proposing a 26 percent reduction ($15,573,000 to $11,483,000) in funding for the Alaska Cadastral Surveys. According to your justification, this proposed decrease will occur as a result of increased emphasis on the execution of special surveys under the Patent Plan Process and a decrease in the completion of additional original surveys on the rectangular survey grid.

Aren't surveys identified through the Patent Plan Process more expensive? If so, how will this new increased emphasis change the program in FY 1988?

Answer: Under new policy guidelines, special surveys conducted under the patent plan process are the most cost-effective surveys in meeting the cadastral survey requirements in Alaska. Savings are achieved by concentrating survey resources to complete

the whole survey job at one time in a particular area for a given period. Because work in the remote locations and isolated areas of Alaska is very expensive in logistical support costs, savings are achieved largely by reducing time spent going back into the same areas repeatedly to accomplish different stages of a survey. The increased emphasis on doing coordinated surveys under the patent plan process as well as innovations being worked out with the State and Natives regarding monumentation make it possible to reduce funding levels for Alaska cadastral surveys.

O&C RECEIPTS

Question: In FY87, you anticipated timber receipts on O&C lands to be $130 million in FY87 and $154 million in FY88. The FY88 estimates indicate that you anticipate FY 1987 receipts to increase to $147 million while FY88 receipts will decrease to $137 million.

How much of this decrease in receipts is due to the decrease in the amount of timber proposed to be offered for sale in FY88? Why the upward adjustment in FY 1987 and the downward adjustment in FY88?

Answer: The actual projection of O&C receipts as contained in our 1987 and 1988 Budget Justifications is as follows:

O&C Receipts by Fiscal Year
(dollars in millions)

	1986	1987	1988
1987 Justifications (Page 11)	$130.2	$154.4	No estimate
1988 Justifications (Page 16)	$147.2	$137.0	$142.8

Estimates in the 1987 Justifications were made before the settlement of the "buy-out" and extension situations. The estimate of 1987 receipts, for example, anticipated fewer "buy-outs" than actually occurred and a larger harvest of the high-valued extended contracts.

At the time the estimates were made for the 1988 Justifications, the buy-out/extension picture had cleared somewhat. The $147.2 million shown for 1986 is the actual receipts including about $10 million in buy-out payments. The estimate for 1987 assumes approximately the same level of harvest as in 1986, excluding the one-time buy-out payments. Actual receipts through February are approximately $50 million, indicating that the estimate of $137 million remains a reasonable figure. The increase shown for 1988 is based on the fact that a significant proportion of extended sales expire in that year. Given the time lag between sale and harvest and the large volume of timber currently sold but unharvested (2.6 MMBF), the decreased sale program proposed for 1988 is not likely to affect receipts significantly.

Question: Historically, how close have your estimates been to actual receipts?

Answer: Given that operators have up to 3 years to execute their contracts and the vagaries in the wood products market, accurate estimates of O&C receipts are normally difficult to make.

Timber sale extensions and the opportunity for contract "buy-outs" have compounded the complexity of this process. The following data compare the estimates in the Budget Justifications with actual receipts:

Year	Justifications Estimate	Actual Receipts
1986	160.0	147.2
1985	130.0	122.2
1984	115.0	134.1
1983	232.0	92.3

O&C REFORESTATION

Question: The reduction of timber management is part of a shift in emphasis toward timber development and reforestation. What is the status of your efforts to eliminate the reforestation backlog on O&C lands?

Answer: The backlog acreage for areas available for planting without further initial site treatment has essentially been eliminated. Current records indicate that only 655 acres exist in this category. In addition, there are approximately 21,500 acres of land covered by grass, brush and hardwoods that are suitable for conversion to commercial forest. This conversion was identified as one of the intensive management practices in the 1984 allowable harvest plans. In most instances such conversion is of relatively low priority when compared with maintenance of existing plantations and other intensive management practices. The current ban on use of herbicides also makes many conversions impractical or impossible.

BONDING FOR HARDROCK MINING OPERATIONS

Question: In the FY87 C.R., bill language was added providing for new procedures for bonding of hardrock mining operations. Under the terms of the bill language, bonds would be required of all operators with a record of non-compliance involving surface disturbances. Bonds would continue to be discretionary for operators with a proven record of compliance with BLM regulations and stipulations. A broader concept of bonding to include acceptance of equivalent State bonds, third party surety bonds or irrevocable letters of credit was also included.

Additional report language was also included requesting the BLM to examine activities conducted under the Mining Law of 1872 on public lands. A specific emphasis was directed toward the adequacy and necessity of reclamation bonding on operations involving less than five acres.

How is the BLM implementing this bill language?

Answer: The Bureau has established a task force to examine the language in the FY 1987 C.R., in an effort to evaluate the effectiveness of the current policy and procedures pertaining to the bonding issue. Following this review a recommendation will be made to the BLM Director on any appropriate changes that should be made to the surface management regulations.

The Conference Report (H.R. 99-1002) that accompanied the 1987 Appropriations Act made reference to the Bureau's task force approach and stated that a Bureau report on this subject was expected to be presented to the Appropriations Committees of the House and Senate by no later than May 1, 1987. For this reason, we have elected to defer any rulemaking to modify the existing regulations until the task force effort is completed, and the Bureau submits a report to the committees.

Question: What is the status of the examination of the 1872 Mining Law?

Answer: An analysis of possible technical amendments to the law, with the intent of modernizing it, is currently underway. The review is proceeding as expected and will be submitted to the Secretary as soon as possible. No final date has been established.

SAN PEDRO RIVER AREA

Question: Would you provide for the record a breakdown of the 1987 funding distribution for the San Pedro area by activity, and indicate which activity is funded to completion and which will need additional funding in 1988?

Answer: In FY 1987, a total of $550,000 was allocated for the San Pedro Conservation Area in Arizona as follows:

Activity	Base	Add-on
Mineral Materials	$ 9,000	
Range Management	12,000	
Soil, Water and Air	80,000	
Wildlife	29,000	$135,000
Fire Management	20,000	
Cultural Resources		120,000
Recreation Resources		145,000
Total	$150,000	$400,000

The FY 1988 President's Budget includes approximately $325,000 for continued management activities in San Pedro. These funds will cover administrative and technical services, and allow for continuation of inventories, resource planning, and protection projects in key programs. FY 1988 funds have been tentatively planned as follows:

Activity	Cost
Range Management	$ 10,000
Soil, Water and Air	65,000
Wildlife	100,000
Cultural Resources	100,000
Recreation	25,000
General Administration	25,000
Total	$325,000

Question: What is the rate of increase of recreation demand in the San Pedro Area? In other areas of the State?

Answer: The San Pedro Area was acquired in a land exchange by the BLM in 1985. Until that time the area had been in private

ownership. Recreation use of the area was not monitored or counted while in private ownership. Shortly after acquisition, BLM closed the area to all public use to protect its resources until a management plan could be developed and implemented.

Overall, Arizona experienced a 38 percent increase in recreation visits (1,125,000 to 1,557,000).

RECREATION MANAGEMENT

Question: National Parks, National Forests, National Recreation Areas, State Parks, etc., all have specific designations on State maps which the public can use to plan outdoor activities. The BLM areas do not have similar designations. Is there any interest on the part of States to mark some of the BLM recreation and resource areas on the maps so that the public is more fully aware of their existence?

Answer: BLM has worked closely with State and other Federal agencies which publish maps to show public lands and BLM developed and managed recreation sites. Examples are: Gunnison Basin area of Colorado where BLM, Forest Service and National Park Service cooperated in publishing a recreation map, and the Soutnwest Montana Interagency Travel Plan and Visitors Map published in cooperation with the Forest Service, U.S. Fish and Wildlife Service and the Montana State Department of Fish, Wildlife, and Parks. BLM is also in the process of preparing a camping map brochure which will show the location of BLM's major recreation sites. The Bureau has not had much success in getting public lands or BLM recreation areas shown on State highway maps, however.

Question: Is there a role the BLM can play in public education to inform the public that BLM lands are valuable public lands offering multiple use opportunities and are not limited to commodity production?

Answer: BLM has a major public education role to play. Its employees are continually making presentations to all school levels, local organizations, and public meetings on the multiple uses and the variety of resource values of the public lands. BLM also works closely with the media in developing coverage of public land activities and informing the public about the value of their public lands.

ENERGY AND MINERALS

Question: Nationally, in the oil and gas program, I assume that such basic workload indicators as plan amendments and lease adjustments are declining in 1987 and 1988 from prior levels. Is that accurate? (page 39)

Answer: Lease adjustments have declined. Likewise, we project that in 1988 we will complete fewer plan amendments than in previous years.

Question: Is the number of producing wells increasing or decreasing? I know that, in general, domestic oil exploration has virtually ceased. Does that reduce the burden on BLM's field staff.

Answer: At the end of FY 1986 there were 18,623 leases on Federal lands in producing status, a reduction of only 226 from the end of FY 1985. Aside from leases, there has been a slight increase in the number of wells shut-in on jurisdictional lands. However, it is small compared to the number of wells still producing. We estimate that there are now about 47,500 producing wells as compared to about 50,000 wells at this time last year.

Question: Also, Mr. Burford, I assume that the equivalent workload indicators in the solid energy minerals (primarily coal, but also including oil shale) program are also decreasing (p. 48). I understand that no new regional coal leasing tracts have been delineated since 1984. Does the Bureau expect major coal leasing activities in 1988?

Answer: Coal workload indicators are generally constant from FY 1987 to FY 1988. This is in contrast to the FY 1986 to FY 1987 period when workload indicators decreased sharply. These workload changes are consistent and commensurate with the program funding which declined sharply from FY 1981 ($29,300,000) to FY 1987 ($13,700,000). As leasing activities have declined, program emphasis and funding have been shifting from the leasing to the operations component (i.e., post-lease management, inspection and enforcement, and lease adjustments).

The extent of coal leasing activities in the coal regions will be determined by the regional coal teams after evaluating a variety of factors, including market conditions. The teams will be meeting during 1987 to determine whether regional activity planning should be initiated. We do not expect major coal lease sales in FY 1988 because of the apparent lack of demand for major lease sales. However, the Bureau will continue to process coal lease applications. The extent of this workload is dependent on the number of applications filed. Should regional activity planning be deferred, it is possible that the number of emergency applications could increase.

Question: While the post-lease work is important, do I correctly assume that the post-lease operational workload is fairly constant?

Answer: Over the past several years, BLM's post-lease operations workload has increased at the fairly steady rate of approximately 5 percent per year.

It is anticipated that by the end of FY 1988, there will be 502 Federal coal leases subject to FCLAA, an increase of 51 leases or approximately 10 percent over the FY 1987 number of 451 leases. We do not anticipate a concomitant increase for the post-lease operations workload of 10 percent, since not all of these leases will be in production by that year.

The number of producing leases has increased steadily over the years. By the end of FY 1986 there were 134 producing Federal coal leases with a production of approximately 163 million tons. This represented a slight increase from the FY 1985 production of 162 million tons, but still was almost 40 percent greater than the FY 1985 production of 116 million tons.

Question: Regarding oil shale activities, I understand that the amount of work needed to handle suspension actions on the two prototype oil shale leases is minor and will be handled within the base program. Is that accurate?

Answer: Yes, that is correct.

Question: Is it accurate, then, that the workloads in both the fluid and the solid minerals programs are not increasing, and that if anything they are decreasing? If so, I am curious as to why the Administration is proposing to fund these programs at the 1988 base level, instead of proposing appropriate reductions? Could you explain that to me?

Answer: The overall workloads for all energy and minerals programs are not decreasing. Although some components of the workload are decreasing, there has been a shift of emphasis in various programs. For example, the coal program now emphasizes improved supervision of operations. New requirements for surface management have increased the workload of the mining law program whether the actual number of mining claims increases or not. In fluid minerals, we are still attempting to catch up as a result of the great surge of activities in the early 1980's and, therefore, will be spending funds on activities such as reservoir management and inspections. In the mining law administration program, greater emphasis is being placed on qualitative aspects of several workload components. For example, the mining claim "recordation" output now includes land status determinations. Renewed efforts are also necessary to ensure NEPA compliance for all plans of operations.

Question: I find that interesting, because I note that the Bureau did not propose an increase but a decrease in these programs when you sent your request to the Department. I understand that either the Department, or OMB, increased the Bureau's funding proposals for the fluid minerals program from $45,160,000 to $52,391,000 (or +16%), and also increased the Bureau's proposal for the solid energy minerals program from $13,695,000 to $14,580,000 (or +6%). If the Committee were to fund the energy and minerals management program at the Bureau's proposed levels in 1988, we would save $9,950,000, which we could then apply to such programs as the wildlife, soil and water, recreation and range programs in 1988. Would you object to that funding distribution, Mr. Burford? What would you see as the likely impact of such a redistribution?

Answer: The President's Budget request is an accurate description of the Administration's priority of ensuring the security of the Nation's domestic energy supplies from undue reliance on imported energy and minerals. The funding levels requested for the minerals programs are necessary to manage jurisdictional mineral resources properly. It should be noted that the Bureau is requesting no increases over base levels in these programs except for a modest increase in mining law administration. At a lower funding level, the Bureau's oil and gas program would not have the opportunity to eliminate various backlogs in reservoir management work nor to improve its management of ongoing operations.

We will also be continuing our efforts to maximize the utilization of automation in minerals programs to reduce the labor-intensive features of these programs in the future. Such efforts will result

in better on-the-ground management, a potential that would be severely limited if funding were shifted to other programs. Shifting funds to other activities would cause considerable difficulties--both long and short term--in carrying out our minerals responsibilities.

FOREST MANAGEMENT

Question: Let's look a little closer at some of those renewable activities. In the forest management program, you are proposing a reduction of $1,000,000, on the basis that commercial timber sales should occur only where "revenues from sales at least cover the Bureau's costs, where communities are substantially dependent on BLM timber for local employment, or where harvest is necessary to maintain the health and productivity of the forest, e.g., thinnings, insect and disease control harvests." This policy results in a timber program of 60,000,000 board feet of timber sold in 1988, down from 75,000,000 in 1987 and down from 89,000,000 in 1986. What States are being hardest hit by this policy change?

Answer: The Bureau intends to develop procedures to be used beginning in FY 1988 to analyze the cost effectiveness on a sale-by-sale basis. This process could lead to some reduction in sale offerings in all States. However, the analysis done to date would indicate that Colorado, Wyoming, Montana and southern Idaho would experience the greatest reductions.

Question: How does the 1988 proposed sales level compare to the average annual allowable cut?

Answer: A state-by-state spread of the FY 1988 proposed sale offering of 60 million board feet (MMBF) will not be made until further analysis is done. The current allowable cut for public domain forest lands outside of western Oregon is approximately 88 MMBF although in FY 1987 we will offer only 80.4 MMBF for sale.

Question: Would you provide for the record a complete summary of the proposed reductions, by state, and the supporting analyses on a sale by sale basis showing costs and revenues. Also include in the response the efforts BLM has made to reduce the overall costs of these sales, because we all know that costs often get allocated to a particular activity when they really occur as a result of other activities.

Answer: The conclusion that using criteria of cost effectiveness, economic dependency and forest health would reduce sale offerings to about 60 MMBF was based upon a gross evaluation of costs compared to receipts. A more refined evaluation on a state-by-state basis will be contained in the report requested by Congress. That report will also explain the costs that are considered relevant in analyzing the cost effectiveness of timber sales.

Question: Where sales are being justified on the basis of dependent communities or non-commercial values (such as insect infestations, fire, or other salvage activities), would you provide the supporting policies and procedures for the record?

Answer: Specific procedures for dealing with dependency and noncommercial values have not yet been developed. In dealing with the dependency issue, however, we intend to first examine the local

economy to determine its overall health and the role that wood products play. At the same time, we will examine the impact of BLM timber on individual mills in the community. This examination will not be limited to a simple percentage of raw material supplied, but will involve a consideration of the marginal difference BLM timber could make. For example, the amount of BLM timber used by a mill may be small; but it could represent the marginal amount that allows the mill to run at near capacity and, thus, accrue economies of scale. A projection of supplies from Forest Service lands will also be a part of the consideration. While we do not have a separate policy statement on these issues, the statement contained on page 83 of the 1988 Budget Justifications is essentially a presentation of Bureau policy.

WILD HORSES AND BURROS

Question: Of the 10,000 animals that the Bureau estimates it will remove in 1988, I am told that 5,000 will be in Nevada. Is that the optimal rate of removal? Assuming that the desired management level is a valid goal to try and reach, at what rate should we attempt to reach that level?

Answer: We believe 10,000 is a moderate course in removing excess animals that will allow attainment of appropriate management levels by 1991 and keep maintenance costs at a minimum.

Question: What other States are still left with significant levels of excess animals?

Answer: At the start of FY 1988, Arizona will still have approximately 2,400 excess animals on the range; Oregon will have about 1,000; and Nevada about 7,500. All other States will be at their appropriate management level.

Question: I am told that the Wild Horse and Burro Advisory Board transmitted its report to the Secretary in December 1986. Has he reached a decision regarding its major recommendations?

Answer: The Secretary approved all the Board's recommendations on March 13, 1987.

Question: Did the Advisory Board involve the public in its process?

Answer: The Board met three times in various parts of the country to accept public testimony. Public testimony was received at Board meetings in Washington, D.C.; Reno, Nevada; and Ontario, California. In each case, a notice of the meeting was published in the Federal Register. Local interest groups were also notified individually by letter.

Question: What has been the reaction to the recommendation that a 5 step process be employed to dispose of excess wild horses and burros, including, as a last resort, euthanasia?

Answer: We have received very little comment on the Board's recommendations in general or on any particular one. We are preparing a draft wild horse and burro policy statement which will incorporate the Board's recommendations. A notice of its availa-

bility for public comment will be published in the Federal Register shortly.

Question: How many adoptions occurred in 1986? Can you tell us how many of those were individual adoptions versus group adoptions?

Answer: A total of 7,600 animals were adopted in FY 1986. We estimate that about 5,200 animals were adopted by individuals and 2,400 in group adoptions.

GRAZING MANAGEMENT

Question: Will the rate of grazing project development be able to continue in 1988, or will it also be reduced?

Answer: The rate of project development will basically continue. However, reliance in FY 1988 only on the Range Improvement appropriation for funding development work will result in a slight decrease in project work accomplished. It is estimated that approximately 16 projects would be deferred in Nevada at this funding level.

SOIL, WATER, AND AIR

Question: In the soil, water and air program, the BLM request is for $15,356,000 a decrease of $650,000 (or -4%) from 1988 base level. The Bureau's request to the Department, however, was for $18,453,000. This makes the Administration's budget request a reduction of $3,097,000, or 17%, from the original BLM request. What would you have done with the additional $3 million you originally requested, Mr. Burford?

Answer: The additional $3 million in funding would have been used in the Bureau's hazardous materials program.

Two statutes directly affect the Bureau's hazardous materials program. They are: the Resource Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, or Superfund). Under provisions of these laws, the Bureau - as landowner - is potentially liable for control and cleanup of releases of hazardous substances into the environment from public lands and is, therefore, subject to valid enforcement orders which require the Bureau to remedy conditions where public lands have been contaminated.

While the Bureau must be responsive to both of these hazardous materials laws, it is the CERCLA, as amended by the Superfund Amendments and Reauthorization Act (SARA), which was enacted in October 1986, after the Bureau's proposed budget had been submitted to OMB, that will have the greater impact on the Bureau's future course. SARA provides that all Federal agencies complete a preliminary assessment (PA) on facilities listed on the Environmental Protection Agency's (EPA) docket by April 1988.

HAZARDOUS WASTE

Question: One of the projects listed in a recent report to the committee was the Union Pacific right of way project located near Leith, Nevada. The hazardous waste at this site is elemental phos-

phorus, and any reaction products, which were buried on public lands following derailment and partial burning of a tankcar carrying the material in 1978. What is the Bureau's legal recourse regarding this type of incident? Is there any money budgeted in 1988 for this project?

Answer: This site is on public lands, just off the Union Pacific Railroad right-of-way and contains the remains of a tank car and its contents (yellow phosphorus and oxidation products) derailed there in 1978. The car was interred there after a fire resulting from the accident consumed much of the tank and contents.

The Nevada Division of Environmental Protection has not indicated any concerns nor recommended any studies or actions to be taken by the Bureau. Our current knowledge of conditions indicates a low risk to the public from the site at this time. The site is very isolated and well fenced; the burial is deep; and the soils, climate and hydrology present little risk of release of material from the site. The preliminary assessment planned for 1986 was deferred due to the need to assess higher risk sites and the apparently imminent resolution of the issue with the Union Pacific Railroad. BLM and Union Pacific are currently discussing alternative actions for the site to be undertaken by the company. Based on the positive discussions with Union Pacific, no monies have been budgeted in FY 1988 for the Leith site.

Question: What is the distribution of the rest of the projects by State, and by project, for fiscal years 1986, 1987, and 1988?

Answer: The following tables show the breakdown of identified projects worked on in 1985 and 1986:

FY 1985

Preliminary Assessments	Site Investigations
Champagne Creek, ID	Central Cove, ID
Leslie Dump, ID	Lee Acres Landfill, NM
Ermont Mill, MT	
Sluice Gulch, MT	
Thorium City, MT	
Tungston Mill Tailings, MT	
Antelope Valley, NV	
Pioche Mine, NV	
Quinn River, NV	
Flora Vista Landfill, NM	
Kirtland Landfill, NM	
City of Vale Dump, OR	
Lytle Boulavard Dump, OR	
Merlin Landfill, OR	
Slides Landfill, OR	

FY 1986

Preliminary Assessments	Site Investigations
Valdez Mine, AK	Sagwon, AK
Dateland Landfill, AZ	Needles Landfill, CA
Lake Havasu Landfill, AZ	Chaffee Co. Landfill, CO
Fremont County Dump, CO	Champagne Creek, ID
Kremmling Dump, CO	Austin Well, NV
Pasturas Landfill, NM	Quinn River, NV
	Pioche Mine, NV
	Flora Vista Landfill, NM
	Kirtland Landfill, NM
	Fairview Landfill, OR
	Minexco, OR
	Oroville Landfill, WA

Only 2 sites are scheduled for work in 1987. They are the Lee Acres Landfill near Farmington, New Mexico, and tne Oroville Landfill in Washington. Sites for 1988 have not yet been identified. A report is currently being prepared.

Question: Is the hazardous waste money allocated to the States each year and then managed at that level?

Answer: Approximately 55 percent of the FY 1987 hazardous materials funding is allocated to the Bureau's State Offices for their use in the program. Of the remaining 45 percent retained in the Headquarters office operating budget, about two-thirds will be spent on contracts which benefit the field activities.

Question: Is there a nationwide priority setting system? How does the priority setting exercise work?

Answer: The Bureau provides a continuing, systematic evaluation of all sites on public lands known to be, or suspected of being, contaminated by hazardous substances. The evaluation includes identification of suspected sites, assessment of their ownership status (Federal, private, State, other), use history (lease, claim, grant, former DOD, withdrawal, etc.) and estimate of risk. Given tne large areas and classes of land uses the BLM administers, it is more effective to identify suspected hazardous waste sites by means other than acre-by-acre inventory, and then to evaluate and respond to the possible health risks posed by such identified potential waste sites first.

Each of BLM's field offices identifies potential sites and, in consultation with State and local regulatory officials, ranks the individual sites for consideration for site assessment. These rankings are forwarded to the Washington Office where the nominations from all of the State Offices are ranked nationally based on existing information. Assessment contracts are then issued on these priorities.

Assessment (or evaluation) of the risk of each site to public health and natural resources is carried out through preliminary assessments (PA) and site investigations (SI), tne same basic techniques used by EPA for their priorities of sites once assessment is complete. If

risk levels indicate that further work is needed at the site, other studies and cleanups are scheduled.

WILDLIFE

Question: The BLM's wildlife habitat program is one that is almost universally agreed to be underfunded. In 1986, Congress provided $15,364,000. In 1987, the amount provided was $16,111,000. The base program for 1988 is calculated to be $17,057,000, whereas the 1988 request is for $14,747,000, a reduction that takes the program below the level provided in fiscal 1982. The Bureau's budget again this year takes the position that it no longer needs to develop habitat management plans, and it proposes budget reductions. This leaves BLM in the position of failing to implement HMPs that are complete and on the shelf, not developing and implementing recovery plans for endangered plants and animals, and failing to complete inventory work on crucial habitat.

Why is the wildlife habitat on BLM land any less valuable now than, for example, in 1982?

Answer: The amount contained in the President's Budget does not underfund the wildlife program. BLM has taken no actions whatsoever to give an indication that wildlife habitat on its lands is any less valuable today than it was in 1982. The President's Budget request is adequate to protect, manage, and improve fish and wildlife habitats on public lands, including the habitats of threatened and endangered (T/E) species of fish, wildlife, and plants. The proposed budget level provides for the development of 9 new HMP's in high priority areas identified during the land use planning process as having significant fish and wildlife issues and conflicts. Over 400 HMP's have already been developed on key habitat areas, with over 200 in the process of being implemented. Continued emphasis will be placed on implementation of high priority actions in these existing plans. In addition, due to the completion of many extensive, one-time habitat inventories, the President's budget is sufficient to complete the site-specific inventories needed for ongoing planning or management actions. Funding for the T/E species component of the program would remain at the FY 1987 level of $4,000,000, an amount adequate to implement high priority actions in recovery plans.

Question: You know, Mr. Burford, it is not only the money that is important in this program, it is also the staff. The budget also proposes to reduce the staff from 320 to 300. Was this your proposal?

Answer: The President's budget includes a reduction of 20 full-time equivalents (FTE) in conjunction with the funding decrease in this program. The proposed staffing levels are adequate to conduct necessary activities for management of high priority fish and wildlife habitats and to meet the needs of the candidate threatened and endangered species program.

Question: Please develop a new or expanded strategy for protecting threatened and endangered species. No new money is to be proposed, but instead develop a concept paper for protection of endangered species.

Answer: The Bureau is in the final stages of developing a strategic plan for its fish and wildlife program that includes goals and strategies for threatened and endangered (T/E) species. Both the current program and the strategies envisioned for the future are designed to carry out high priority work and to ensure compliance with the Endangered Species Act (ESA). The Bureau's T/E species management program is designed to comply with the ESA requirements to avoid jeopardizing the continued existence of T/E species, to avoid destroying or adversely affecting critical habitat, and to help bring about recovery of listed species. This involves screening all Bureau actions to determine effects on T/E species, carrying out inventories, developing and implementing recovery plans, and monitoring the effects of management actions.

Question: How many botanists are in place, by state, for FY 1986, 1987, and 1988?

Answer: In FY 1986, the Bureau had eight botanists in the following locations: Arizona (1), California (1), Idaho (1), and Oregon (5). In FY 1987, four additional botanists are being hired (2 in California, 1 in Utah, and 1 in Oregon), and 1 position is being evaluated in New Mexico. The number of botanists on board in FY 1988 will be based on priority staffing needs identified by field offices.

WILDLIFE CHALLENGE GRANTS

Question: One of the ways in which the Congress has tried to get critical wildlife habitat work accomplished in the past few years has been to provide so-called Challenge Grants to the agency, so that the district staff would be able to cooperate with local environmental, conservation, sportsmen, and other interested groups to get needed wildlife habitat projects on the ground. Are there other, non-federal funds that are being leveraged by these Challenge Grants?

Answer: Congress provided $450,000 in challenge grant funding in FY 1987 and specified that up to $300,000 of that amount could be allocated to continuation of the desert bighorn sheep program. The $263,000 in challenge grant monies that has been allocated to desert bighorn sheep management is being used for cooperative activities including reintroductions, development of new water sources, research, development or revision of desert bighorn sheep habitat management plans, and monitoring of populations and habitats. Since 1985, challenge grant funds have resulted in the reintroduction of 13 desert bighorn sheep populations in historic habitats and a significant improvement of habitats through installation of water and other improvement projects. In FY 1987, Bureau challenge grant monies will be matched by funds, labor, or materials from the Arizona Desert Bighorn Sheep Society, Colorado State University, Utah Division of Wildlife Resources, Bighorn Research Institute, Bighorn Fraternity, and the Nevada Department of Wildlife.

In FY 1987, over $200,000 was also allocated for additional matching grant projects with a wide variety of organizations, including Ducks Unlimited, The Nature Conservancy, corporations, State wildlife agencies, educational institutions, local sportsmen's groups, and many others.

Question: By my count, the BLM has cooperated with something over 50 groups to date and has put over $5 million worth of habitat improvements in place on public lands. Will the Bureau's proposed reduction in staffing hinder accomplishment of this program's objectives if Congress were to fund it again in 1988? Is the program valuable enough that the Bureau would earmark some of its own base funding for this purpose?

Answer: The reduction of FTE's from 320 to 300 would not affect the Bureau's ability to support challenge grant funds at the FY 1987 level.

Although no amounts have been specifically allocated to challenge grants from the Bureau's base program monies, some funds have been used to support outside contributions of labor, materials, and funds over and above the amounts funded by challenge grants. Therefore, we believe a specific allocation of base funding is unnecessary and inappropriate.

RECREATION

Question: Mr. Burford, one of the jewels managed by the Bureau is the Red Rocks National Recreation Area, outside of Las Vegas. What would it cost to keep the facility open daily and provide the appropriate level of interpretive services?

Answer: The Red Rock Visitor Center is now open 5 days a week (Friday through Tuesday from 9 a.m. to 4 p.m.). The information desk is currently staffed 50 percent of the time with volunteers. Visitation so far this year is up 63 percent over the same period in 1986. The days of operation of the visitor center affect the use of the entire Red Rock area.

To maintain the visitor center on a 7-day basis and provide an appropriate level of interpretive services would require an estimated additional $223,000 as follows:

$143,800	Personnel costs on an annual basis,
12,200	Extend the building maintenance contract from 5 to 7 days on an annual basis,
67,000	One-time costs to complete implementation of the Red Rock Interpretive Management Plan.
$223,000	

This expansion would require additional FTE for 5 positions and funding the current half-time park manager on a full time basis. Additional personnel required include 3 law enforcement rangers, 1 interpretive specialist, and 1 park technician. The one-time cost of $67,000 to complete the interpretive plan covers the construction of additional interpretive facilities and improvement of existing facilities.

CULTURAL RESOURCES

Question: Cultural resources is one of those rare programs where OMB actually increased the funding request over the level proposed by the agency. I see that the number of cultural resource

management plans will decrease in 1988 (p. 109). Was OMB concerned about that?

Answer: As reflected in the FY 1988 Budget Request History tables supplied to the Committee, the Department's request to OMB for the cultural resources management subactivity was $5,735,000. The FY 1988 request to Congress of $5,469,000 includes a base adjustment of $391,000 for pay increase and retirement costs. OMB did not approve the requested program increase of $657,000.

Question: This is one of the times that I will agree with the OMB's judgment. I am told that funding for cultural resources protection will decrease slightly in Nevada at the budget level. Is that accurate?

Answer: At the FY 1988 budget level, there will be a decrease of approximately 9 percent in Nevada's budget below the FY 1987 figures. Lower priority cultural resource work, such as the preparation and implementation of cultural resource management plans on less important sites and the computer encoding of archaeological site forms, will be foregone. However, at the FY 1988 budget level, all important cultural resource properties in Nevada will continue to receive an equal or greater level of protection than they currently receive.

Question : We hear and read in the press that all of the Federal land managing agencies are doing a poor job at protecting archaeological sites from illegal excavation. Would you agree with that assessment?

Answer: Since we do not have access to information concerning other agencies, we have limited our response to lands under our jurisdiction. We are devoting an increasing amount of our annual cultural resource management (CRM) budget to archaeological site protection. In FY 1987, we estimate that we will spend $1.9 million, or roughly one-third of our CRM budget, for cultural resource protection. The money is used for a combination of administrative and physical protection measures, along with development of a public education program. The measures implemented to date include:

- o Establishing multi-agency task force operations to combat commercial trafficking in stolen archaeological resources;
- o Coordinating with the media for coverage of the problem;
- o Increasing the number of in-house law enforcement personnel and awareness training for field personnel;
- o Targeting law enforcement activities where looting is particularly troublesome;
- o Cooperative agreements with local law enforcement agencies and military police units to increase our field presence;
- o Increasing aerial and electronic surveillance;
- o Developing a "site steward" program using volunteers to monitor sites; and

- Constructing physical barriers, such as fences and gates, and rerouting roads to limit access and protect particular archaeological resources.

Question: How many acres or known sites are there to protect?

Answer: Approximately 150,000 archaeological sites have been recorded on about only four percent of the public lands that have been intensively inventoried to date. The probable number of total sites located on the public lands would run much higher. Even unlimited manpower and funding would not protect all these resources if enforcement activities are not accompanied by an aggressive public education effort. If the public can be convinced of the value of our Nation's cultural heritage, they will gladly assist us in protecting it.

Question: The justification says that inventories are being reduced again in 1988. This seems to me to be a key activity. How many projects are being held up due to lack of inventory data? Would you provide for the record a list of sites that will have a delay in the preparation of management plans in 1988 as a result of budget reduction?

Answer: The BLM cultural resource inventory system includes three classes of inventory, which are (1) the synthesis of existing information, (2) sample survey, and (3) intensive survey. Inventory also includes encoding archaelogical site forms for computer storage and manipulation, and gathering, compiling, and analyzinag baseline cultural resource data. Generally, when funding is scaled back the latter efforts are reduced. As a result, many archaelogical site forms have not yet been computerized; and much existing inventory data remains unsynthesized. Failure to complete these tasks has created inefficiencies, for example, hampering existing data searches, and causing areas of relatively low archaelogical sensitivity to be redundantly surveyed. Rarely, however, has the lack of inventory data delayed specific development projects since on-the-ground inventory and report preparation costs are generally borne by a land-use applicant or included in the budget estimates of the benefiting subactivity.

The BLM Headquarters office does not maintain a list of sites or areas requiring cultural resource management plans (CRMP's). The estimate of 23 CRMP's identified in the FY 1988 Justifications as being delayed by budget reductions was calculated based on an average cost per CRMP and the amount of funding that was being reduced. The actual CRMP's to be delayed will be selected by BLM field offices according to field office needs and priorities as established through the resource management planning (RMP) process. The number of areas or sites requiring CRMP's changes as new sites are inventoried and RMP's are completed.

Question: Please develop a new or expanded strategy for protecting antiquities. No new money is to be proposed, but instead develop a concept paper on how to protect high priority sites.

Answer: A concept paper has been developed and is provided as Attachment 1.

Attachment 1

CONCEPT PAPER

Enforcement of the Archaeological Resources Protection Act (ARPA)

Prepared for the Senate Committee on Appropriations,
Subcommittee on the Department of the Interior and Related Agencies
Submitted by the Bureau of Land Management, April 1987

I. INTRODUCTION

A. Background

Although there has been much publicity about archeological looting in the Southwest where entire ruins have been obliterated by commercial "pothunters" using mechanized equipment, destruction of archeological resources takes many forms and occurs in all regions of the country. For example, historic structures have been demolished by collectors of weathered wood in the Rocky Mountains; panels of rock carvings and rock paintings have been pried from cliffs in the Great Basin; and historic military artifacts have been stolen from battlefields across the east coast. It is well known that archeological resources illegally taken from public lands in America are bought and sold by antiquities dealers in a sophisticated national and international black market. Trafficking in stolen artifacts can be a lucrative business and is often done in combination with other illegal activities.

Awareness of this problem and support for increased protection of archeological resources have grown over the years and contributed to the passage of the Archaeological Resources Protection Act (ARPA) in 1979. Many Indian groups, particularly in the Southwest, have also become concerned about vandalism of prehistoric ruins and robbing of ancestral burial areas, and have worked closely with Federal law enforcement agencies to apprehend looters. Local residents and land users have aided land managers by reporting illegal activities, and many States have set up hotlines for this purpose. There are also instances of law enforcement activities being hampered by local attitudes; for example, in some areas of the Southwest "pothunting" is a local tradition and considered by many residents to be an acceptable recreational activity.

B. Current Program

The Bureau of Land Management (BLM) is responsible for the management and protection of more than half of the cultural resources administered by the Federal Government. Approximately 150,000 cultural properties have been located and recorded, although less than 4 percent of all BLM lands have been intensively inventoried for cultural resources. Experts estimate that all archeological sites on public lands which can be easily seen and reached by vehicle have experienced at least some vandalism.

The BLM devotes between one-third to one-half of its cultural resources management program funds to on-the-ground protection activities, such as patrol, surveillance, stabilization, signing, and fencing, as well as public awareness efforts. The identification of vandalism is aided by informing all field employees about archeological protection laws and how to recognize violations. Site-specific

protection projects are also supplemented by volunteer contributions and cooperative agreements with local archeological groups. In addition, when violations of ARPA and other relevant statutes are detected or suspected, BLM law enforcement personnel conduct investigations, cooperate with other Federal, State, and local law enforcement agencies, and prepare cases for prosecution.

As experience with both the problem and the law grows, land-managing agencies are realizing that the supply of stolen artifacts is extremely difficult and costly to cut off at the source. This situation is due to the number of sites, the vastness of the public lands, the remote locations of many sites hours away from agency offices, and the growing sophistication of "professional" or commercial looters. Furthermore, agencies have become more aware of the complexities of ARPA and the legal implications of its provisions. As case experience increases, investigators and prosecutors are learning that highly trained and well-experienced law enforcement and legal personnel are critical to successful ARPA prosecutions.

The result is that since the passage of ARPA, BLM's archeological protection program has evolved into a multi-faceted effort encompassing prevention, detection, investigation and prosecution. On-the-ground site protection continues to be a high priority. Investigative efforts have been concentrating on antiquities traffickers and have been increased by cultivating informants and conducting undercover buying and selling operations. These efforts are supported by promoting public awareness of the problem and the law and by increasing training, information networks and cooperation among law enforcement specialists. This concept paper outlines actions for accelerating and expanding these trends.

II. RECOMMENDED APPROACH

A. Assumptions The recommended actions described below are based on the following assumptions:

1. No additional funds will be provided; actions will be implemented as available funding allows.

2. The complexity of ARPA and the growing sophistication of archeological resource looters and dealers necessitate more advanced and creative enforcement techniques.

3. Cooperation among Federal agencies and with State and local law enforcement entities is required for an effective program. Coordination at the national level is critical to ensure awareness and support of local cooperative efforts by all involved agencies.

4. Efforts should be focused in regions where the problem is most acute and where investigators and prosecutors are most experienced. Multi-state cooperation is critical to avoid causing looters to move their operations to adjacent States.

5. Efforts should be comprehensive, involving both long-term and short-term approaches; capability must be developed over time rather than attempting quick fixes.

6. Law enforcement efforts must be developed in concert with public awareness programs to provide a positive atmosphere of public opinion in favor of archeological resource protection and to encourage citizen assistance in detecting violations, especially on the vast public lands in the West.

7. Archeological resource physical protection activities (e.g., signing, fencing, stabilization) and administrative protection measures (e.g., patrol, road closures) will continue to be emphasized.

B. Action Items

1. Coordination and Support

o Establish a working group to develop ARPA enforcement policies and facilitate Federal interagency coordination at the national level.

o Work with the Department of Justice to raise the awareness of U.S. Attorneys and prosecutors across the country concerning the problem and ARPA's provisions.

o Increase emphasis on cooperative agreements with local law enforcement agencies for field support in detection and development of ARPA cases.

o Enhance current archeological resource public education programs, especially among land users, visitors, and agency field employees.

2. Investigation

o Develop new sources of information for investigations through selective crime detection on the ground, obtaining informant reports by using confidential informant funds and other methods. (Note: BLM's informant fund is currently limited to $10,000 by Appropriations Act language.)

o Pursue a vigorous, pro-active enforcement program aimed at stopping the sale and purchase of archeological resources using techniques such as undercover and sting operations, and using funds for "buy money."

o Form interagency, regional strike forces to pool resources and focus on "hot spots."

o Provide hands-on training for individuals directly involved in ARPA enforcement, i.e., investigators and prosecutors.

o Obtain specialized equipment, such as programmable radios, body microphones, monitoring sensors and transmitting devices.

o Promote public awareness efforts, especially those designed to encourage public land users to report violations, and encourage the use of State government "hotlines" for this purpose.

3. Prosecution

o Increase awareness of ARPA and other statutes relevant to archeological resource protection among U.S. Attorneys (for criminal prosecutions), and among Department of the Interior Solicitors and Department of Agriculture Offices of General Counsel (for civil prosecutions).

o Where caseload is appropriate, seek designation of personnel from Interior Field Solicitors' offices as special prosecutors to assist the U.S. Attorney.

o Develop guidelines for field offices on how to pursue civil prosecutions under ARPA and other statutes.

o When successful prosecutions have been obtained, use the reward provision under ARPA to encourage future informants.

o Share case experiences from successful prosecutions with other agencies and regions, and exchange information among law enforcement personnel and prosecutors on specific techniques of successful prosecutions under ARPA.

o Publicize results of successful prosecutions as a deterrent to future illegal activity by making the public aware that the government is pursuing a vigorous enforcement strategy.

4. Site Protection

o Broaden patrol, surveillance and unauthorized use detection efforts for valuable and critically jeopardized archeological resources.

o Continue to develop and implement archeological resource stabilization and protection projects for important and threatened resources.

o Continue to develop cooperative agreements, volunteer programs and other opportunities to enhance site protection capabilities.

III. CONCLUSION

The commercial looting of archeological resources should be looked upon as a serious crime deserving the attention and commitment of law enforcement and legal professionals and the support of the general public. A comprehensive program involving detection, investigation, prosecution and public awareness, with continued cooperation between land managing and law enforcement agencies, is the most effective approach to the problem.

LANDS

Question: I am sure that you have been heavily involved in the discussions regarding the land exchange involving the Bureau and the Fish and Wildlife Service, which would exchange wetlands in

Florida for Bureau land northeast of Las Vegas. The Aerojet-General Corporation would use the Nevada lands as a rocket assembly and test facility. Has the necessary legislation been forwarded to the Congress? When will that happen?

Answer: Yes. On February 9, 1987, a draft was submitted to the Florida and Nevada delegations. The Fish and Wildlife Service (through the Assistant Secretary for Fish and Wildlife and Parks) prepared the draft as a drafting service and prepared a resource ascertainment report at the same time.

Question: Can you tell us what we will need to do for the desert tortoise as a part of the exchange? Are there other wildlife impacts that need mitigation that I should be aware of and consider funding for?

Answer: The proposed legislation provides for adoption of a Land Exchange Agreement between Aerojet General Corporation and the U.S. Government. This agreement includes stipulations for mitigating impacts to the tortoise as well as other affected wildlife. This agreement will be forwarded to members of Congress when completed.

These stipulations will become requirements attached to the deed given to Aerojet General Corporation. This agreement is intended to meet the needs for protection of the desert tortoise once the legislation is enacted and the exchange is completed. Impacts on all other potentially affected wildlife also will be mitigated by the Land Exchange Agreement stipulations. These stipulations are drawn from the resource ascertainment report and environmental reports written and submitted to the delegations of Florida and Nevada. Once legislation is enacted that includes the Land Exchange Agreement, Aerojet General Corporation will be required to enforce all stipulations to mitigate wildlife impacts. There appears to be no funding need at this time for BLM.

CONSTRUCTION

Question: The Bureau has not requested any funding for several years for construction of new facilities. What are the priority needs unmet in Nevada? (Arizona? Idaho?)

Answer: For the past several years the Bureau's budget priorities have been to fund ongoing, operational programs. Thus, funds have not been requested for such capital items as construction of new facilities. However, in 1987 the Congress appropriated $1.6 million for the acquisition and rehabilitation of an administrative and maintenance building in Kotzebue, Alaska.

In FY 1988 no construction funding is proposed given the budgetary priorities for funding operational activities first. However, the following projects in Nevada, Arizona, and Idaho are under review for possible consideration for future funding if additional monies are available in the Federal budget.

The construction priorities identified and under consideration for Nevada are:

	Project	Cost
1.	Willow Spring Unit - Red Rock Canyon	$30,000

This facility was constructed in the 1960's and has been vandalized numerous times. The addition of rangers to this area will effectively eliminate future vandalism. The unit is easily accessible by paved road. It is highly visible and heavily used.

Replace vault toilet	$15,000
Replace tables and pads	10,000
Install new parking barriers	5,000

2. Sportsmans Beach Campground - Walker Lake $30,000

Except for an inoperative water system, this is a fully developed and heavily used campground on the shore of Walker Lake. The existing water source, a spring, needs to be replaced with a well due to inadequate quantity and quality. The existing underground storage tank and distribution system is usable but will require some minor rehabilitation.

3. Sand Mountain ORV Area $60,000

This large active sand dune, just one and one-half hours east of Reno, is less than two miles off U.S. Highway 50. Additional facilities would be used to control indiscriminate use.

Improve existing access	$25,000
Construct interior roads and parking areas	25,000
Install barriers	10,000

4. Red Bridge Reconstruction $60,000

Red Bridge crosses the Marys River in the north-central portion of the Elko District. The bridge is in the north-central portion of a block of approximately 185,000 acres of public land which the Marys River bisects. The nearest bridge across the Marys River is over 20 miles south. The left abutment has failed; and the right abutment, although structurally sound, needs erosion protection. Design of the reconstruction is in progress.

5. Nine Mile Bridge Reconstruction $60,000

This bridge and the road it serves was obtained by the Winnemucca District from the county in a trade approximately 15 years ago. The superstructure is untreated timbers, and the abutments are of locally obtained rubble held together with concrete. Actual age of the bridge is unknown. Both the superstructure and the abutments have serious deterioration problems. The structural engineer who inspected the facility has recommended replacement. Current load carrying capacity has been estimated at about four tons. This road (and the bridge) also serve as the

main detour when the State Highway (about 20 milesto the south) is inundated, as it was for a period of four months in the winter of 1983-84.

6. Carson City District Road Reconstruction and Drainage — $50,000

Six roads that provide access into Christmas tree and firewood cutting areas are currently limited to 4-wheel-drive vehicles due to serious cross drainage problems. Fifteen such problem areas have been identified for installation of culverts and/or minor road relocation. Except for these problem areas, the roads are usable by 2-wheel-drive vehicles virtually year-round.

7. Railroad Valley Road Construction — $115,000

This road would provide all-weather access into the Railroad Valley Wildlife Management Area. A dike system contains water for use by waterfowl, but lack of access prevents routine adjustment of spillways and overflows to control the water level. Frequently, the uncontrolled water level has breached the dikes causing a complete loss of water and destroying the waterfowl habitat. Requested funds would be used to construct two roads; one 6 miles long, and one 12 miles long. The area attracts a large number of hunters and bird watchers in the fall who would also use these roads.

8. Caliente Resource Area Office and Garage/Shop — $405,000

The current resource area office houses a staff of 15 people. Space is inadequate for personnel, files, and meeting room. The structure is substandard and was poorly constructed, as evidenced by the concrete floor which now has a 2-inch slope across the building.

The Caliente Resource Area administers some 3 million acres of public land. The office is located 150 miles from the District Office in Las Vegas. A shop is required for maintenance of heavy equipment used for construction of road improvements and maintenance of access roads.

The construction priorities identified and under consideration for Arizona are:

	Project	Cost
1.	Quail Hill Road Reconstruction	$350,000

Arizona has a critical need for construction of the 2.2 mile canyon section of Quail Hill Road. The section is a very crooked, narrow, undrained side-hill road with grades above 16 percent in some areas. Traffic is increasing, and this road is the main access from St. George to the Arizona Strip. During the past few years, several serious accidents have occurred on this section, and increased

traffic and larger vehicles using the road will increase potential for serious accidents. This road provides primary access to the Arizona Strip District and is subject to numerous winter closures. Wet snows common to the road's elevation add to the hazardous driving conditions.

This road does not serve any communities or year-round residences, so the county will not spend any funds on it. The State maintains that the volume is too low to be considered for a State highway system road. Land status and use of the road in the Arizona Strip make BLM the logical agency to build this road. Without construction, access is limited during bad weather, and work required by both BLM and public land users is severely hampered.

2. La Posa RV Dump Station $100,000

A full capacity RV dump station is needed at La Posa. The present system (non-water) is inadequate to handle the present and ever-increasing load.

3. Colorado River Boat Ramps $125,000

Yuma District has plans to construct boat ramps at selected sites along the Colorado River south of Imperial Dam. Even though this is a high use area and Arizona has one of the highest ratios of boats per capital in the Nation, there are no public launching facilities in this area.

4. Parker Strip Contact Station $52,000

At present there is no adequate BLM Contact Station on the Parker Strip for campground and day use area management.

The construction priorities identified and under consideration for Idaho are:

	Project	Cost
1.	Boise District Office Warehouse	$950,000

The present Boise District Office Warehouse buildings were created from several renovations and remodeling of the Army's Old Boise Barracks. With the completion of the new district office complex, the two operations are at opposite ends of Boise. Their physical separation is very inefficient and makes coordination difficult. At the end of FY 1987 the old warehouse and site is to be turned over to the USGS. A site study plan to include long-range requirements for the Boise District Office Complex has been completed.

2. Lower Salmon River Recreation Management Area $56,000

Portions of the management area have been studied and recommended for the National Wild and Scenic Rivers System. Recreation use and demand are rapidly growing

along the Lower Salmon River. Additional developments will help protect the values which make the river worthy of wild and scenic protection, while providing for public use and enjoyment of the resource.

3. Winter Camp/Owsley Road Surfacing $400,000

The Winter Camp/Owsley Road is located in the Saylor Creek Area which is one of the highest-producing rangeland areas in the Boise District. Saylor Creek consists of over 500,000 acres that produce 120,000 AUM's annually. Approximately 30 percent of the area has been seeded to crested wheat grass with production at 3 acres per AUM.

Livestock use consists of both cattle and sheep with approximately 90 percent being trucked to the area. Water is provided by a combination of several pumping systems and water hauling. The existing earth-surfaced roads have extensive traffic in the early spring from livestock hauling, water hauling, livestock users and water system maintenance personnel. The roads become wet and rutted from this early spring traffic to a point where they are impassable. In late summer dry, deep dust holes develop that cannot be corrected until after fall rains. Currently, approximately 50 percent of Boise District's annual road maintenance allocation is spent maintaining these roads. After surfacing is complete, maintenance costs will be reduced significantly.

Question: I understand that such projects as a replacement for the Battle Mountain complex are needed, but perhaps not as much as a general funding increase for building maintenance. How would you document the need for additional maintenance funding?

Answer: BLM compiled a condition survey of the Bureau's buildings, recreation and transportation facilities in FY 1986. This survey revealed that 44 percent of the buildings, 71 percent of the recreation facilities, and 62 percent of the transportation facilities managed by BLM are in fair to poor condition and in need of additional maintenance. The needed maintenance has been deferred in recent years because other Bureau programs and management responsibilities are higher priority. The funding which has been requested in recent years was used principally for repairs and maintenance of facilities where existing conditions endangered the health and safety of the public and Bureau employees.

Question: Would you provide for the record a complete list by state and project of new construction projects needed by the BLM and their relative priority?

Answer: The Bureau continues to place a higher priority on full funding of ongoing, operational programs rather than on capital programs such as new facility construction. If funding were provided it would be used for the following projects, listed in priority order by State. The cost of each project is also provided.

State		Project	Cost ($000)
Alaska	1.	Alaska Fire Service smokejumper operations building	$5,500
	2.	Recreation developments at Sourdough campground, Nome Creek, 40-Mile, Iditarod, Tangle Lake, and Arctic Jim River Campgrounds	1,738
	3.	Road access to Steese-White Mountain Wilderness	2,000
Arizona	1.	Quail Hill Road reconstruction	350
	2.	La Posa recreational vehicle dump station	100
	3.	Colorado River boat ramps and Parker Strip contact station	177
California	1.	Chimney Peak fire station	330
	2.	Apple Valley fire station	300
	3.	46 miles of Pacific Crest Trail construction	640
Colorado	1.	Gunnison (Bridgeport) Bridge	350
	2.	Craig District Office addition	2,500
	3.	Pumphouse Recreation Area toilets	60
Idaho	1.	Boise District Office warehouse	950
	2.	Lower Salmon River recreation management area	56
	3.	Winter Camp/Owsley Road resurfacing	400
Montana	1.	Drag Ridge Road	192
	2.	Missouri River development	166
	3.	Red Mountain campground	79
Nevada	1.	Recreation facility features at Red Rock Canyon, Walker Lake and Sand Mountain off-road vehicle areas	120
	2.	Bridge and road reconstruction at Red Bridge, Nine-mile Bridge, Carson City and Railroad Valley	285
	3.	Building reconstruction at Caliente Resource Area	405
New Mexico	1.	North Dune Recreation Area access road	56
	2.	Rio Grande Gorge Road	1,000
	3.	McGregor Range complex relocation	200
Oregon	1.	Yaquina Head recreation construction	3,254
	2.	Vale fire complex building	333
	3.	Deschutes River Road	1,405
Utah	1.	Price Area Office	180
	2.	Escalante Area Office	200
	3.	White Sands campground	650
Wyoming	1.	Road realignments	180
	2.	Bridge replacements (3)	320
	3.	Rock Springs District Office and warehouse	135

PROPOSED NUCLEAR WASTE REPOSITORY - NEVADA

Question: Is it the Bureau's position that DOE has authority to use the lands needed for its proposed site characterization studies for a nuclear waste repository at Yucca Mt., Nevada?

Answer: The Nuclear Waste Policy Act (NWPA) assigns to DOE responsibilities for development of repositories and finding suitable areas for such. It does not authorize DOE to use BLM-administered lands for studies without prior authorization. However, Section 120 of NWPA directs Federal agencies to expedite consideration and granting of requests for authorizations required for site characterization studies.

Question: I understand that the DOE must complete a site characterization plan before the site characterization study can be started. Is that correct?

Answer: Yes, it is required by section 113(b)(1) of NWPA.

Question: Does the State have to be involved in the plan? In what manner? How about public involvement?

Answer: Section 113(b)(1) of NWPA requires that the plan be submitted to the Governor and legislature of the State in which the candidate site is located for their review and comment. Section 113(b)(2) requires the plan be made available to the public and public hearings held to receive their comments.

Question: Does DOE still plan to complete the plan by December 1987?

Answer: To the best of our knowledge, yes.

Question: Is BLM incurring any costs relating to the preparation of the plan? If so, how much and from what source?

Answer: As yet, no costs have been incurred by BLM. It is our intention that any future BLM involvement would be on a cost reimbursable basis with the full costs incurred by the Bureau being recovered from DOE.

TIMBER DRAW DETENTION DAM

Question: Another project we often hear about is the Timber Draw Detention Dam on the main channel of the San Simon drainage, in Arizona. I understand that this erosion control structure is part of the approved San Simon watershed project. Is that accurate?

Answer: The dam is the final mainstream structure of the San Simon Watershed Project.

Question: I also understand that dams of this type have been shown to be useful in controlling the effects of flooding. Has flooding in recent years been a problem? Do you know the dollar value of damages of the flooding?

Answer: Flooding has been a problem over the years. However, recent channel and other work below the Timber Draw

Detention Damsite has changed the potential damage of future flooding. A current flood analysis is needed to account for any recent high flow events and, thus, determine flood significance.

Question: At that rate, how long would it take to save the $1.2 million it is estimated to cost to complete the structure? Would you provide a full analysis of this project for the record?

Answer: An up-to-date economic analysis and updated engineering cost estimate have not been prepared.

In 1986 a technical evaluation team reviewed the San Simon Watershed and particularly the proposed Timber Draw Detention Dam. It was their conclusion that the entire San Simon Project should be re-evaluated before any decision is made on the Timber Draw Dam. This evaluation would involve assessment of the current values of existing conservation structures, their maintenance requirements and their future cumulative resource and economic benefits. Along with this total system evaluation, there would be as assessment of the interlocking benefits and costs of the Timber Draw Dam and any other future projects.

WILDERNESS STUDY AREAS (WSA's)

Question: Nevada has about 95 WSA's totaling about 4.4 million acres being reviewed for wilderness designation. What is the schedule for completing the EISs for these areas?

Answer: The following table provides the current schedule for completing wilderness EIS's in Nevada.

Nevada
Wilderness EIS Schedule

Study Name	WSA's	Type	Filed	Acres	EIS Status
Caliente	5	MFP	9/24/84	588,423	Rev. File 10/87
Clark	8	MFP	5/27/83	378,669	FEIS Filed 2/87
Egan	5	RMP	9/23/83	249,435	Rev. File 9/87
Elko	4	RMP	3/13/85	66,754	Rev. File 5/87
Esmeralda	5	RMP	11/16/84	189,395	Rev. File 11/87
Lahontan	4	RMP	10/01/83	432,257	Rev. File 7/87
Nevada Residuals	13	Amend	9/30/87	171,386	Draft EIS File 3/88 Final EIS File 9/88
Schell	8	MFP	4/01/83	424,583	Rev. File 8/87
Shoshone/ Eureka	3	RMP	6/03/83	152,160	Rev. File 9/87
Tonopah	7	MFP	4/23/82	483,050	FEIS Filed 3/87
Walker	2	RMP	10/26/84	92,995	Rev. File 10/87
Winnemucca	19	MFP	9/23/83	1,131,445	Rev. File 8/87
ISA Package	8	ISA	4/84	22,542	Pending in Congress
Totals	95			4,559,045	

NEVADA WSA RECLAMATION REQUIREMENTS

WSA NAME	WSA NUMBER	ESTIMATED RECLAMATION COST	RECLAMATION DESCRIPTION
S. McCullough Range	NV-050-435	6,000	Unauthorized Mining Road
Grapevine Mountains	NV-060-355	2,000	Unauthorized Mining Road
		$38,850	

Question: I am told that, nationwide, there is over a million dollars worth of reclamation needed in WSA's. Is that an accurate estimate?

Answer: The estimated total reclamation cost for all BLM WSA's is about $984,000. Of this total, it is anticipated that $169,000 will be covered by operators or violators. The remaining $815,000 would have to be funded by BLM in order to complete the reclamation.

Question: Would you provide for the record a summary of the known reclamation problems in WSAs?

Answer: The following is a breakdown by State of WSA's requiring reclamation and the estimated costs.

Summary of Reclamation Costs in WSA's

State	# of WSA's Requiring Reclamation	Estimated Reclamation Costs
Alaska	---	---
Arizona	4	$ 15,000
California	20	531,000
Colorado	2	55,000
Idaho	6	65,000
Montana	---	---
Nevada	10	38,850
New Mexico	6	112,000
Oregon	8	13,500
Utah	13	53,450
Wyoming	8	100,000
Totals	77	$983,800

RECLAMATION OF DISTURBED LANDS

Question: I understand that the recent GAO report on bonding hardrock operators cited an example from Winnemucca, Nevada, where 25 acres were disturbed by an authorized mining operator, and then the operator went out of business, leaving the land unreclaimed. Because the Bureau had not required a bond, the Bureau now has to use appropriated funds to reclaim this site. Where will the needed money come from?

Answer: The claim you mention is a barite ore mine currently on "stand-by" awaiting a market upturn (barite is used in drilling mud for oil and gas). The company exposed the deposit and stabilized

the site to meet the 43 CFR 3809 regulations on surface management. The company did an adequate job prior to their leaving, and there are no plans to expend any Bureau funds on the site. Production from the mine is expected to resume when the market conditions warrant.

Question: Has the BLM's mining bonding task force completed its work? Is that still due by May 1, 1987? Can I have your assurance that it will be completed on time?

Answer: The task force has completed its final report, and review by the Director is expected to be completed shortly. The report should be ready for submission to the appropriate congressional committees on May 1 or shortly thereafter.

Question: How much money is requested for monitoring approved mining operations? Is that sufficient to ensure at least an annual review of operations?

Answer: For FY 1988, about $880,000 would be planned for monitoring approved mining operations (compliance inspections). Subject to further review of surface management activities, we currently believe funding to be adequate to provide no more than an annual review of each operation.

Question: Please provide for the record a list, by state, of all reclamation projects remaining unfunded.

Answer: We do not maintain a Bureauwide inventory of unreclaimed sites under the 1872 Mining Law and 43 CFR 3809. The legal requirement for Federal reclamation of operations was not promulgated until the passage of the Federal Land Policy and Management Act of 1976 (43 USC 1732(b)); therefore, the number of such "unreclaimed operations" subject to the Secretary's authority is believed to be relatively small. Preliminary statistical data indicate that less than 2 percent of the operations since 1981, the date the rules were promulgated, are in any type of default with their reclamation responsibilities under FLPMA at this time.

Question: Also, for each WSA with known disturbances, what kind of activity caused the disturbance; was the activity authorized or not; who will pay for reclamation, and the estimated cost; were bonds posted and, if not, why not; what is the Bureau's estimate of the reclamation schedule.

Answer: Because most disturbance in wilderness areas results from unauthorized activity, bonding was precluded. With regard to authorized mining activity, about 10-25 percent of all plans of operation (43 CFR 3802 and 3809) are bonded. In some States, bonding is mandatory under State reclamation laws. Bonding is also mandatory if the operation is found in non-compliance with the regulations or the area is deemed ecologically sensitive. In other cases bonding is at the discretion of the authorized officer. The attached tables provide a state-by-state and case-by-case listing of known surface disturbance within WSA's.

WSA RECLAMATION REQUIREMENTS

Office: Arizona

WSA Name & Number	Type of Action Authorized	Type of Action Unauthorized	Estimated Total Reclamation Cost	Cost to be Paid By BLM	Cost to be Paid Non BLM	BLM Activity to Pay	Date Reclamation Started or to be Started	Current Status of Reclamation	Estimated Date of Completion	Additional Funding Needs By Year 1987	1988	1989
AZ-020-58 Kawhide Mountains	---	Road	$4,000	$4,000	---	4132	When Funded	Unfunded	12/31/89	---	$ 4,000	---
AZ-020-083 Hassayampa River Cnyn.	---	Road constr. & left-over debris	2,000	2,000	---	4132	When Funded	Unfunded	12/31/89	---	2,000	---
AZ-020-083 Hassayampa River Cnyn	---	Trench	1,000	1,000	---	4132	When Funded	Unfunded	12/31/89	---	1,000	---
AZ-020-083 Hassayampa River Cnyn	---	Road	1,000 2,000	1,000 2,000	--- ---	4132 4132	When Funded When Funded	Unfunded Unfunded	12/31/89 12/31/89	--- ---	1,000 2,000	--- ---
AZ-020-099 Bighorn Mtns	---	Trench	1,000	1,000	---	4132	When Funded	Unfunded	12/31/89	---	1,000	---
AZ-020-060 Lower Burro Cr.	---	Bladework/ erosion	4,000	4,000	---	4211	When Funded	Unfunded	12/31/89	---	4,000	---
		Total for State	$15,000	$15,000	---				Total for State	---	$15,000	---

All activities listed were unauthorized actions occurring within the Phoenix District. BLM will pay all reclamation costs due to violators being unknown or financially unable to do work.

Rehabilitation will require approximately $15,000 in FY 88 or 89. All rehabilitation will be accomplished by 1990.

WSA RECLAMATION REQUIREMENTS

Office: California

WSA Name & Number	Type of Action Authorized	Type of Action Unauthorized	Estimated Total Reclamation Cost	Cost to be Paid By BLM	Cost to be Paid Non BLM	BLM Activity to Pay	Date Reclamation Started or to be Started	Current Status of Reclamation	Estimated Date of Completion	Additional Funding Needs By Year 1987	1988	1989
CA-010-046 Piute Cypress	---	---	5,000	5,000	---	4132	1987	n/a	1989	5,000	---	---
CA-010-100 Bodie	---	---	2,000	---	2,000		1987		1987			
CA-010-79 Chidago Canyon	---	---	15,000	15,000	---	4322	1987		1989	15,000		
CDCA-145 Resting Spring Range	---	12 miles road blading	36,000	36,000	---	4132	10/01/87	Not Yet Started	06/30/89	---	36,000	---
CDCA-147 Greenwater Range	---	3 1/2 miles road bladed	10,500	10,500	---	4132	10/01/87	Not Yet Started	06/30/89	---	10,500	---
CDCA-101 Toler Creek	---	Stream diversion 1 1/2 miles	4,500	4,500	---	4322	01/01/88	Not Yet Started	06/30/89	---	4,500	---
CDCA-222 Kingston Mtns.	---	Regraded existing mining route 6 mi	18,000	18,000	---	4132	12/01/87	Not Yet Started	06/30/89	---	18,000	---
CDCA-223 N. Mesquite Mtn.	---	Placer mining disturbance	2,000	2,000	---	4132	12/01/87	Not Yet Started	06/30/89	---	2,000	---
CDCA-266 Castle Peak	---	Road blading 7 miles	21,000	21,000	---	4132	12/01/87	Not Yet Started	06/30/89	---	21,000	---

CDCA-321 Big Maria Mtns.	---	Rec. vehicle trails	5,000	5,000	---	4333	10/01/88	Not Yet Started	06/30/89	---	---	5,000
CDCA-322 Rice Valley	---	Rec. vehicle trails	1,000	1,000	---	4333	10/01/88	Not Yet Started	06/30/89	---	---	1,000
CDCA-325 Palen McCoy	---	Rec. vehicle trails	2,000	2,000	---	4333	10/01/88	Not Yet Started	06/30/89	---	---	2,000
CDCA-343 Mecca Hills	---	Rec. vehicle trails	6,000	6,000	---	4333	10/01/88	Not Yet Started	06/30/89	---	---	6,000
CDCA-344 Orocopia Mtns.	---	Rec. vehicle trails	5,000	5,000	---	4333	10/01/88	Not Yet Started	06/30/89	---	---	5,000
CDCA-348 Chuckwalla Mtns.	---	Rec. vehicle trails	1,000	1,000	---	4333	10/01/88	Not Yet Started	06/30/89	---	---	1,000
CDCA-356 Little Picacho Peak	---	Trails from rec. use	1,500	1,500	---	4333	10/01/87	Not Yet Started	06/30/88	---	1,500	---
CA-050-317 Rocky Ck./ Cache Ck.	---	Road const. mineral trespass	3,000	3,000	---	4131	6/87	Under Negotiation	6/88	1,000	2,000	---
CA-050-317 Rocky Ck./ Cache Ck.	---	Road const. private property access	1,500	1,500	---	4211	6/87	Under Negotiation	6/88	700	800	---
CA-050-317 Rocky Ck./ Cache Ck.	---	Road const. hunting access	1,000	1,000	---	4212	6/87	Under Negotiation	6/88	400	600	---

California (Con't)

CA-050-112 King Range	Acquired lands overgrazing	---	125,000	125,000	---	4322	6/87	Awaiting Funding	6/89	15,000	85,000	25,000
CA-050-112 King Range	Acquired lands road rehab.	---	150,000	150,000	---	4212	6/87	Awaiting Funding	6/89	20,000	90,000	40,000
CA-050-112 King Range	Acquired lands devel. cln. up	---	65,000	65,000	---	4212	6/87	Awaiting Funding	8/89	10,000	35,000	20,000
CA-050-111 Chemise Mtn.	Elk enclosure/ road	---	20,000	20,000	---	4351	6/88	Awaiting Funding	8/88	---	20,000	---
CA-050-212 Thatcher Ridge	Rehab. fire breaks	---	30,000	30,000	---	4630	6/88	Awaiting Funding	6/89	5,000	25,000	---
		Total for State	531,000	529,000	2,000				Total for State	72,100	351,900	105,000

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WSA RECLAMATION REQUIREMENTS

Office: Colorado

WSA Name & Number	Type of Action Authorized	Type of Action Unauthorized	Estimated Total Reclamation Cost	Cost to be Paid By BLM	Cost to be Paid Non BLM	BLM Activity to Pay	Date Reclamation Started or to be Started	Current Status of Reclamation	Estimated Date of Completion	Additional Funding Needs By Year 1987	1988	1989
Redcloud Peak/ CO-030-208	---	Road Building	$5,000	$5,000	---	4332	5/1/89	Attempting to require violator to do it.	9/30/89	---	---	$5,000
Petersonn Draw/ CO-010-226	---	Mining Tailings & equipment off of claim	$50,000	$50,000	---	4332	6/1/89	Attempting to locate violator	9/30/89	---	---	$50,000
		Total For State	$55,000	$55,000					Total For State			$55,000

WSA RECLAMATION REQUIREMENTS

Office: Nevada

WSA Name & Number	Type of Action Authorized	Type of Action Unauthorized	Estimated Total Reclamation Cost	Cost to be Paid By BLM	Cost to be Paid Non BLM	BLM Activity to Pay	Date Reclamation Started or to be Started	Current Status of Reclamation	Estimated Date of Completion	Additional Funding Needs By Year 1987	1988	1989
Red Spring NV-101-088		Woodcutting	$750	$750		4311 4332	4/1/88	Not Yet Started	4/15/88		$750	
Cedar Ridge NV-010-080		Woodcutting	$750	$750		4311 4332	4/1/88	Not Yet Started	4/15/87		$750	
Goshute Park NV-010-033		Woodcutting	$750	$750		4311 4332	4/1/88	Not Yet Started Not Yet Started	4/15/88 4/30/85		$750 $750	
Bluebell NV-010-027	3802 Drilling		$2,000	$500	$2,000	4132	9/30/86	In Progress	9/30/89		$500	
Gabbs Valley: NV-030-407	3802 Grand-fathered Drilling Act.		$4,000		$4,000		At completion of project	Not Yet Started	9/30/90			
Weepah Springs NV-040-246		3802 Drilling Roads	$3,000	$3,000		4332	4/1/87	Not Yet Started	8/1/87	$3,000		
Goshute Canyon NV-040-015		3802 Drilling/Roads	$2,000	$2,000		4132	6/1/88	Not Yet Started	9/30/88		$2,000	
Morman Mtns. NV-050-161		3802 Mining	$2,600	$2,600		4132 4332	5/1/87	Not Yet Started	9/1/87	$2,600		
Morman Mtns. NV-050-161	Big Game Guzzlers		$15,000	$15,000		4331	4/15/87	Not Yet Started	9/1/87	$15,000		
S.McCullough Range NV-050-435		3802 Road/Open Cuts	$6,000		$6,000	4132		Pending-Under IBLA Protest by Claimant				$6,000
Grapevine Mountains NV-060-355		3802 Road/Open Cuts	$2,000		$2,000	4132	4/1/87	Not Yet Started	9/30/87	$2,000		
	Total for State		$38,850	$25,350	$14,000			Total for State		$22,600	$4,750	$6,000

WSA RECLAMATION REQUIREMENTS

Office: Idaho

WSA Name & Number	Type of Action Authorized	Type of Action Unauthorized	Estimated Total Reclamation Cost	Cost to be Paid By BLM	Cost to be Paid Non BLM	BLM Activity to Pay	Date Reclamation Started or to be Started	Current Status of Reclamation	Estimated Date of Completion	Additional Funding Needs By Year 1987	1988	1989
16-40 North Fork	---	Firewood Cutting	$2,000	$2,000	---	4311	6/88	Not Started	7/88	---	$2,000	---
16-45 Middle Fork	---	Firewood Cutting	2,000	2,000	---	4311	6/88	Not Started	7/88	---	2,000	---
16-47 West Fork	---	Firewood Cutting	2,000	2,000	---	4311	6/88	Not Started	7/88	---	2,000	---
111-6 Little Jacks Creek	Micro-wave Tower	---	40,000	---	$40,000	N/A	No action planned until designation.					
Jarbridge River	1800 acre Fire Rehab	---	9,000	9,000		4630	6/88	Not Started	4/90	---	9,000	
47-4 Borah Peak	Road Rehab	---	10,000	10,000	---	4332	6/88	Ongoing	9/88	---	10,000	---
		Total for State	$65,000	$25,000	$40,000				Total for State	---	$25,000	

WSA RECLAMATION REQUIREMENTS

Office: New Mexico/Oklahoma

WSA Name & Number	Type of Action Authorized	Type of Action Unauthorized	Estimated Total Reclamation Cost	Cost to be Paid By BLM	Cost to be Paid Non BLM	BLM Activity to Pay	Date Reclamation Started or to be Started	Current Status of Reclamation	Estimated Date of Completion	Additional Funding Needs By Year 1987	1988	1989
Sabinoso NM010055	---	ORV Use	$8,000	$8,000	---	4332	5/1/88	---	9/30/89	---	$5,000	-3,000
Ignacio Chavez NM010020	---	ORV Use	15,000	15,000	---	4332	5/1/88	---	9/30/89	---	10,000	5,000
Eagle Peak NM020019	---	Dirt Tank	500	---	500	---	9/1/87	---	9/30/87	---	---	---
Sierra de las Canas NM020035	---	Mining Assessment	8,000	8,000	---	4132	9/1/88	---	9/30/89	---	4,000	4,000
Florida Mountains NM030034	Mine Develop	---	60,000	60,000	---	4132	10/1/87	Reclamation Plan Approved	9/30/89	---	52,000	8,000
Florida Mountains NM030034	Mineral Exploration	---	500	---	500	---	10/1/88	Mineral Exploration Ongoing	9/30/89	---	---	---
Mudgetts NM060819	Gas Well Pad	---	20,000	---	20,000	---	10/1/89	---	9/30/89	---	---	---
		Total for State	$112,000	$91,000	$21,000				Total for State	---	$71,000	$20,000

WSA RECLAMATION REQUIREMENTS

Office: Oregon

WSA Name & Number	Type of Action Authorized	Type of Action Unauthorized	Estimated Total Reclamation Cost	Cost to be Paid By BLM	Cost to be Paid Non BLM	BLM Activity to Pay	Date Reclamation Started or to be Started	Current Status of Reclamation	Estimated Date of Completion	Additional Funding Needs By Year 1987	1988	1989
OR-1-14b Hamil Mt.	---	Range access	$500	$500	---	4322	10/88	Not Started	10/88	---	$500	---
OR-2-72F Heath Lake	R/W	---	500	500	---	4322/4333	10/88	Not Started	10/88	---	500	---
OR-2-74 Alvard	Horse trap	---	3,000	3,000	---	4321	10/87	Not Started	9/89	---	3,000	---
OR-2-81 Pueblo Mt.	---	Reroute drainage	2,500	---	2,500	---	10/87	Started	9/89	---	---	---
OR-3-56 Dry Cr. Buttes	---	Mining access	1,000	1,000	---	4132	5/88	Started	9/89	500	---	---
OR-3-73 Owyhee Breaks	---	Mining disturbance	2,000	2,000	---	4132	5/88	Started	9/89	1,000	---	---
OR-5-9 Spring Basin	---	Dump	2,000	2,000	---	4212	4/87	Not Started	4/88	2,000	---	---
OR-5-14 Steelhead Falls	---	OHV use	2,000	2,000	---	4333	5/88	Started	9/89	---	1,000	---
		Total for State	$13,500	$11,000	$2,500				Total for State	$3,500	$5,000	---

WSA RECLAMATION REQUIREMENTS

Office: Utah

WSA Name & Number	Type of Action Authorized	Type of Action Unauthorized	Estimated Total Reclamation Cost	Cost to be Paid By BLM	Cost to be Paid Non BLM	BLM Activity to Pay	Date Reclamation Started or to be Started	Current Status of Reclamation	Estimated Date of Completion	Additional Funding Needs By Year 1987	1988	1989
Steep Creek UT-040-061	---	House	$6,000	$1,000	$5,000	4212	6-30-87	Not Started	7/30/87	$1,000	---	---
Cottonwood Canyon UT-040-046	Water Well		$6,500	$1,500	$5,000	4211	9-1-89	Not Started	1/1/90	---	---	1,500
Mt. Ellen Blue Hills UT-050-028		Chaining	$8,350	$8,350	---	8100	9-1-87	Not Started	12/31/87	---	$8,350	---
Road Cyn. UT-060-201	Oil Well	---	Not Available--Shell Oil				9-13-82	Monitoring	12/88	---	---	---
Fish Creek UT-060-204	Oil Well	---	Not Available--Patrick Petrolem				1-22-82	Monitoring	12/88	---	---	---
Marcos Mesa UT-060-181	Uranium Exploration	---	Not Available-Gulf Minerals					Pads Done NF for Roads				
Muddy Creek UT-060-007		Uranium Exploration	Not Available-Torual Albrect				6-14-84	Monitoring	6/87			
Side Mtn. UT-060-023		Uranium Exploration	Not Available-William Wray Jr.				5-9-85	Monitoring	5/88			
Desolation C. UT-060-068A	Gas Well		$10,000		Getty Oil		2013	Not Started	2013 Producing gas well			
Desolation C. UT-060-608A	Gas Well		$14,000		Getty Oil		2013	Not Started	2013 Producing gas well			
Jack Cyn. UT-060-068C	Gas Well		$6,000		Getty Oil		10-23-86	Monitoring	12/88			
Spruce Cyn UT-060-100C(1)		Greenwood Cutting	$100		100	4332	7-87	Not Started	7/87	100		
Winter Ridge UT-080-730	---	Jeep Trail Improved	$2,500		$2,500	4332	9-1-88	Not Started	10/1/88		$2,500	
	Total for State		$53,450	$13,450	$40,000			Total for State		$1,100	$10,850	$1,500

WSA RECLAMATION REQUIREMENTS

Office: Wyoming

WSA Name & Number	Type of Action Authorized	Type of Action Unauthorized	Estimated Total Reclamation Cost	Cost to be Paid By BLM	Cost to be Paid Non BLM	BLM Activity to Pay	Date Reclamation Started or to be Started	Current Status of Reclamation	Estimated Date of Completion	Additional Funding Needs By Year 1987	1988	1989
WY-030-401 Adobetown	------	5 Miles Vehicleway	$2,500	$2,500		4112	7/1/88	Not Yet Started	9/30/89		$2,000	$ 500
WY-030-301 Encampment	------ ------	5 Miles Vehicleway	$10,000	$10,000		4132	7/1/88	Not Yet Started	9/30/89		$5,000	$5,000
WY-030-303 Prospect	------	1 Mile Vehicleway	$2,500	$2,500		4132	9/1/88	Not Yet Started	9/30/89		$ 500	$2,000
WY-030-304 Bennett	------ ------	4 Miles Vehicleway	$5,000	$5,000		4132	5/1/89	Not Yet Started	9/30/89			$5,000
WY-030-407 Ferris	------ ------	4 Miles Road	$70,000	$20,000	$50,000	4332	7/15/87	Not Yet Started	9/1/87	$20,000		
WY-030-101 Sweetwater	------	1/2 Mile Vehicleway	$7,000	$7,000		4333	6/1/88	Not Yet Started	9/30/89		$5,000	$2,000
WY-030-110 Whiskey	------	1/4 Mile Vehicleway	$1,000	$1,000		4333	6/1/87	Not Yet Started	9/1/87		$1,000	
WY-060-2-9 Fort Creek	------	3 Miles Vehicleway	$2,000	$2,000		4333	9/15/88	Not Yet Started	10/1/88		$2,000	
		Total For State	$100,000	$50,000	$50,000				Total For State	$20,000	$15,500	$14,500

BURTON-SANTINI LAND SALES

Question: I am told that one of the impediments to additional land sales is the government's requirement for full payment at the time of the transaction. Has the Bureau found that to be a problem?

Answer: This statement concerning full payment is not entirely correct. Under current regulations, the successful bidder for a land sale is required to make an initial payment of 20 percent of the bid price and then has 180 days to tender payment in full. This arrangement has not been a problem. The Bureau feels comfortable that this is sufficient time for the bidder to obtain financing.

Question: Were other arrangements prohibited by law? May the Bureau extend credit for the acquisitions? Are other arrangements possible?

Answer: The current regulations do not authorize the BLM to use any other means of completing such transactions. The Bureau is not authorized to extend credit or act as a lending institution, nor does BLM, as a land management agency, consider it prudent to engage in such lending activities. The current payment policy is consistent with standard practices for similar transactions both within and outside the government and has not been a significant hindrance to public land sales.

Question: Would you prepare an analysis for the record that reviews the problem and discusses possible remedies, both legislative and other?

Answer: In view of the fact that the method of payment for land sales does not appear to be a problem, there is no need for a detailed analysis at this time.

STATE LAND SELECTIONS

Question: You will recall that Arizona's enabling legislation provides that the State will relinquish lands to the United States that are needed for irrigation works, and then select Federal lands of equal value. I am told that the State is now focusing on selections as compensation for the Central Arizona Project (CAP). I am concerned that the Bureau does not feel that there are public lands available for the selections. Would you provide a thorough analysis of the issue for the record?

Answer: Arizona's Enabling Act (36 Stat. 557) provides that the State will relinquish lands to the United States which are needed for irrigation works in connection with any such government project. In lieu thereof, the State may select lands of approximately equal value under the State selection laws.

During Fiscal Years 1981-1983, BLM transferred 194,000 acres to the State of Arizona in an accelerated program to complete the long-standing in-lieu grants. Once the basic in-lieu grants were completed, the State focused its attention on selections in compensation for deeds of relinquishment to the Bureau of Reclamation for State lands needed for the Central Arizona Project (CAP). These relinquishments, beginning in 1974, totalled nearly 16,400 acres with an estimated value of $96.5 million. Many of the acres crossed by

the CAP have been in the extremely high land value areas of Phoenix and Scottsdale.

The CAP was authorized by the Colorado River Basin Project Act in September 1968. The project will allow the State of Arizona to use its remaining entitlement of Colorado River water. The CAP consists of a series of canals and pumping plants that will deliver 1.5 million acre feet of Colorado River water each year to Maricopa, Pinal and Pima Counties. Cities, industries, farmers, and Indian reservations will benefit from the project.

The CAP made its first water delivery to an irrigation district 65 miles west of Phoenix on May 22, 1985.

In Arizona, BLM has taken the lead in trying to resolve the debt to the State created by the Bureau of Reclamation for the CAP. In compensation to the State for relinquishing lands needed for irrigation purposes to the United States, the State can select lands of roughly equal value not to exceed the acreage taken. It must select these lands under the in-lieu indemnity process and not through other means such as land exchanges. In July 1985, BLM made the first repayment to the State by transferring 983 acres, having a value of $22 million. The outstanding debt to the State of Arizona as of December 1986 was satisfied with a transfer to the State of 1,700 acres at Pittsburg Point in Lake Havasu City. This transfer brought the value of cumulative transfers to date to $96.5 million.

The CAP will require additional State lands valued at an estimated $16 to $20 million. In-lieu selections have not yet been made by the State of Arizona for these lands. One reason is that the Bureau of Reclamation has not identified all the State lands it will need to complete the project. Problems that may be associated with State selections will be identified after the State knows which lands it will lose and makes its approximately equal value selections of public lands. Should the State select lands affected by the National Wildlife Federation lawsuit preliminary injunction, there would be a problem that could not be resolved administratively. Also, during completion of in-lieu grants to the State, many of the high value lands administered by BLM had already been selected and transferred to the State. This has raised concern over the availability of suitable lands remaining to compensate the State for the CAP Project. However, subject to agreement with the State of Arizona and barring conflicts with the injunction issued under the National Wildlife Federation lawsuit, BLM does feel that lands of roughly equivalent value may be available to satisfy the remaining debt.

Questions Submitted by Senator Dale Bumpers

ONSHORE OIL AND GAS LEASING - KGS DETERMINATIONS

Question: How many onshore oil and gas leases were issued last year? How many of the leases were issued through the over-the-counter and simultaneous filing systems? How much in revenues has the Department collected as a result of issuing these leases? How many of the leases were issued competitively? How much in revenues has the Department collected as a result of issuing these leases?

Answer: The following table shows the number of leases issued, the lease type, acreage, and revenue collected in FY 1986:

Lease Type	Number	Acreage Leased (000)	Filing Fees ($000)	Rents ($000)	Bonus Bids ($000)	Total Revenue ($000)
OTC	1,303	2,175	$97	$2,175	n/a	$ 2,272
SOG	6,443	7,409	26,488	7,409	n/a	33,994
Comp	1,263	353	n/a	706	$26,643	27,349
Total	9,009	9,937	$26,585	$10,291	$26,643	$63,615

We have made the assumption that none of the leases are in a producing status yet.

Question: Some oil and gas industry representatives have suggested that the various problems identified with the use of Known Geologic Structures to determine which lands to offer for competitive bid can be addressed by spending more money, i.e., increasing the number or quality of the geologists assigned to this task. How much money is budgeted in the FY '88 request for the KGS process?

Answer: While we do not specifically budget funds by task within each program, we estimate that classification work for the oil and gas program will cost about $2 million in 1988.

Question: Is this an increase over FY '87?

Answer: No. We expect to spend approximately the same amount in both years.

Question: Do you believe increased funding would solve the problems associated with KGS determinations?

Answer: No. Increased funding is not necessary because we believe that we have solved most of the problems connected with making KGS determinations. These problems include management of data bases, personnel availability, and proper and timely technical review. Our job now is to complete those KGS determinations which have been in a backlog status. Our management approach of emphasizing completion of those determinations which might have a bearing on future actions has resulted in bringing us to the point that few actions are delayed because a KGS determination has not been completed.

Question: What are the alternative solutions?

Answer: It is our position that any problems associated with KGS work are behind us because we have taken many management steps to strengthen our internal processes. However, if additional alternatives are to be examined, clearly one of the more obvious alternatives is for Congress to enact legislation which would eliminate the need to do a KGS determination (although our overall reservoir management program would continue). A second alternative, as proposed by the National Academy of Sciences, is to change the definition of a KGS.

Questions Submitted by Senator James A. McClure

DESERT LAND ENTRY

Question: I understand that BLM plans to review a limited number of desert land entries in FY 1988. How many desert land entry applications are affected by the Swan Falls Agreement not being in effect?

Answer: Out of approximately 550 pending desert land entry applications in Idaho, 510 are suspended due to the Idaho Supreme Court decision on Swan Falls Dam water usage.

Question: What economic criteria will be used in determining whether a desert land entry will be "economically" feasible?

Answer: BLM, in cooperation with the State of Idaho, has developed an economic feasibility analysis for projecting and determining the profitability of desert land entries (DLE's). This computer model interprets various data inputs to determine the economic feasibility of a DLE. The main criterion is projected net revenues, which is total revenues less operating costs such as the cost of production, water and irrigation costs, power requirements, interest and land payments, taxes and overhead.

WILD HORSES AND BURROS

Question: I have been very concerned with the management of the Wild Horse and Burro program. Idaho seems to have good management and control over the wild horse population. I continue to be concerned about the number of horses on the ranges in Nevada.

Under the Bureau plans, where will the excess wild horses from the Nevada ranges be held?

Answer: Horses removed as excess from herd areas in Nevada are processed in the Palomino Valley facility near Sparks, Nevada, and then shipped to one of our three long-term maintenance facilities located in Lovelock, Nevada; Bloomfield, Nebraska; and Muleshoe, Texas.

Question: Is the Bureau planning to build another corral for holding excess wild horses? If so, is Idaho among the potential sites?

Answer: The Bureau has no plans to construct any new maintenance facilities for long-term holding of excess animals. The Bureau currently contracts for all long-term holding facilities rather than building our own. The contracts for the three existing long-term maintenance facilities expire at the end of FY 1987. We are now requesting proposals for facilities for FY 1988. Proposals are being accepted from all areas west of the Mississippi River, and the location and number of facilities selected will not be known until the contracts are let.

HAZARDOUS WASTES

Question: Soil, Water and Air Management includes activities such as soil surveys, improving water quality through land treatment or development of facilities, maintaining watershed management structures and facilities, and gathering soil, water and air data necessary to make resource management decisions. Hazardous materials management is a part of this which focuses on development of program policies and procedures, identification, evaluation and assessment of the most pressing problem sites on BLM lands. As much as I am concerned about the problem of hazardous waste sites on Interior lands, I am as concerned about the potential depletion of the soil, water and air funds by use strictly for hazardous waste management. If the hazardous waste program is to grow as more sites are found, I can foresee the use of all the soil, water and air funds just for the hazardous waste program, with a correspondent decrease in funds available for other needed aspects of soil, water and air management. I am sure that this subcommittee does not want to see a decrease in one at the expense of the other, and neither do I.

Where is the pressure coming from to transfer funds to the Hazardous Waste program?

Answer: In dealing with hazardous materials, a critical problem any agency faces is the inability to plan with certainty, within the Federal budget cycle, for removal and remedial actions on public land when a rapid response is necessary to protect public health and safety. The Lee Acres Landfill near Farmington, New Mexico is one site that is requiring this type of immediate action. In this case, the Bureau and the State of New Mexico have concluded that this site presents an imminent threat to the public and the environment. The Bureau is taking steps to initially eliminate this threat and is undertaking further analysis to identify the extent of the problem. Additional funding may be necessary to complete this analysis.

Question: What percentage of the total soil, water and air funds was used in the hazardous waste program in FY86, projected for use in FY87 and expected to be needed in FY88?

Answer: The funding for the hazardous materials program is separately identified within the Bureau's MLR budget and accounts. In FY 1986, no funds were reprogrammed from the basic soil, water and air program. For FY 1987 the Bureau is proposing a reprogramming of $450,000, of which $225,000 would come from the basic soil, water and air program, for the hazardous materials program. This will help offset the cost of work being done at the Lee Acres Landfill site in New Mexico. BLM has no plans to redirect funds from the soil, water and air program to the hazardous materials program during FY 1988.

Question: What percentage of the funds provided for hazardous wastes is actually going to the field?

Answer: During FY 1987, approximately 55 percent of the program's total budget of $1.782 million will be provided to BLM's field offices. Of the remaining 45 percent retained in the Headquarters office operating budget, about two-thirds will be spent on contracts which benefit the field activities.

Question: How much is being kept by the national office? What is this money being used for?

Answer: Approximately $400,000 is retained in the Bureau's Headquarters office for expenses other than contracts. These funds are used to develop program policy, operating procedures and instruction guidance; provide technical and situational assistance to management and field offices; prepare program manuals and handbooks for field staffs; develop contracts for site evaluation and cleanup and administer early contracts prior to field delegation; conduct workshop and training sessions; and review and comment on legislative and regulatory proposals. Also included in this amount is $138,000 which is set aside to pay salaries and benefits for all hazardous material personnel while on leave.

Question: Of the funds which do reach the field what is it being used for?

Answer: Field activities include: the inventory of sites suspected or known to be contaminated with hazardous materials, preparation of land status assessments of these same sites, control efforts to protect public safety and the environment (examples of control efforts include the provision of public water supply and construction of fences), emergency responses to accidental spills and midnight dumping of hazardous substances on public lands, and intermediate studies at known contaminated sites designed to more accurately determine the extent and nature of the contamination.

Question: Where are the sites now under preliminary assessment, site inventory, remedial action and feasibility study?

Answer: Preliminary assessments and site investigations have or will be conducted at the following sites under the auspices of the Bureau's FY 1985 and 1986 contracts:

FY 1985

Preliminary Assessments	Site Investigations
Champagne Creek, ID	Central Cove, ID
Leslie Dump, ID	Lee Acres Landfill, NM
Ermont Mill, MT	
Sluice Gulch, MT	
Thorium City, MT	
Tungston Mill Tailings, MT	
Antelope Valley, NV	
Pioche Mine, NV	
Quinn River, NV	
Flora Vista Landfill, NM	
Kirtland Landfill, NM	
City of Vale Dump, OR	
Lytle Boulevard Dump, OR	
Merlin Landfill, OR	
Slides Landfill, OR	

FY 1986

Preliminary Assessments	Site Investigations
Valdez Mine, AK	Sagwon, AK
Dateland Landfill, AZ	Needles Landfill, CA
Lake Havasu Landfill, AZ	Chaffee Co. Landfill, CO
Fremont County Dump, CO	Champagne Creek, ID
Kremmling Dump, CO	Austin Well, NV
Pasturas Landfill, NM	Quinn River, NV
	Pioche Mine, NV
	Flora Vista Landfill, NM
	Kirtland Landfill, NM
	Fairview Landfill, OR
	Minexco, OR
	Oroville Landfill, WA

The States of Idaho and Nevada prepared PA's for the BLM in 1985 and 1986. Only 2 sites are scheduled for work in 1987, the Lee Acres Landfill in New Mexico and the Oroville Landfill in Washington.

No Remedial Investigation/Feasibility Studies (RI/FS) are currently underway. We are preparing for RI/FS contracts for the Lee Acres and Oroville sites in FY 1988.

Question: How many sites have been identified in Idaho? What is the status of each site? How much money will be necessary for these sites?

Answer: The Bureau has already studied three sites in Idaho (Central Cove, Champagne Creek, and Leslie Dump). The following Idaho sites have been identified for study. A complete study schedule has not yet been developed.

Black Mesa Dump	German Lake
Bruneau Missile Site	Pickle Butte
Bunker Hill and affected area	Murtaugh Landfill
Butte North Tract	Cold Water Dump
Cow Hollow Dump	Reynolds Dump
Grace Dump	Brown's Gulch Dump
Hammett Dump	Powerline
Hulet Dump	North Norland
Cassia County Sites Nos 1, 2, and 3	Substation
Twin Falls County Sites Nos 1 and 2	Quigley Dump

The status of each of these sites (with the exception of the Bunker Hill site, which is on the national priorities list) remains unknown until the assessment work is completed. The Bunker Hill Mine and affected area and the Bruneau Missile Site are currently scheduled for PA's in FY 1988; other sites will be added on a Bureauwide priority basis as more information is obtained. The Bureau estimates that each PA costs approximately $20,000. Each Site Investigation (SI) costs approximately $25,000. The cost of RI/FS and cleanup will vary with the conditions at each site.

Twenty-six additional public land sites in Idaho have either already been cleaned up or determined to present no risk to public health after investigation.

Question: Does the Department of the Interior need to set up a line item for the funding of the administrative duties of the Hazardous Waste program?

Answer: We would not recommend that such a line item be established in the Department.

Question: Does the Department of the Interior need to set up a type of "Superfund" as the Defense Department has done to deal with the hazardous waste problem on Interior lands?

Answer: The Bureau is not in a position to provide an answer on this issue at this time. We will look into this as a possible approach in the FY 1989 Budget process.

CITY OF ROCKS

Question: What is the status of the City of Rocks study?

Answer: The BLM signed off on the City of Rocks Study on March 19, 1987. The study is currently in the Secretary's Office pending final approval and transmittal to Congress.

FIRE REHABILITATION

Question: I am encouraged by the efforts of the Idaho BLM employees, especially the State Director, the District Managers, Area Managers and especially the Range Conservationists who have worked diligently to find a solution to the continuing problem of fire rehabilitation. There are areas of Idaho that have been burned every year for the past three years. These areas need special attention, and a special program has been designed by BLM which meets this need. The greenstripping program has been actively in progress in Idaho. It is an idea whose time has come even though it has been used for several years. It has been proven successful on a small scale. I would like to see it be successful on a large scale.

What is the status of the greenstripping program in Idaho to date?

Answer: Idaho is moving forward with greenstripping. The Boise and Shoshone Districts are preparing comprehensive greenstripping plans in accordance with objectives identified in resource management plans. The plans will become part of the districts' fire management plan. This year Idaho will begin testing new plant species in actual field planting.

Question: How many acres were greenstripped last year? How many acres will be greenstripped this year?

Answer: Because a greenstrip is designed for specific objectives, the width may vary from several feet to three hundred yards. We, therefore, keep our records on greenstripping in miles. Since 1981, 126 miles of greenstripping have been completed in Idaho. In FY 86, 26.5 miles of greenstripping were completed in Idaho, and 53.5 miles of greenstripping have been completed to date in FY 87. More may be completed depending on the fire year and amount of emergency fire rehabilitation needed.

RANGELAND RESEARCH ON PALATABLE SPROUTING SHRUB

Question: What is the progress on developing a palatable sprouting shrub for use in these areas?

Answer: The Intermountain Research Station of the USDA, Forest Service in cooperation with the BLM and others, has for many years been developing improved shrubs, forbs and grasses for use in range rehabilitation. Ten of these plants have been released for use during the past 5 years. We are currently using these for rehabilitation on appropriate range sites. In addition, our Idaho State Office recently entered into an agreement to extend our cooperation with the University of Idaho and the Intermountain Research Station further in their research and development, and the application of additional range plant materials on BLM-administered public lands.

Question: The College of Forestry, Wildlife and Range Sciences at the University of Idaho has proposed a cold desert browse project which would develop shrub cultivars adapted to the cold desert conditions of southern Idaho, eastern Oregon, northern Nevada and southwestern Wyoming. The plants needed are those that are palatable to domestic livestock and overwintering wildlife that are also fire resistant, easily established, nutritious and moderately productive.

Does the Interior Department have any funds which could be used to fund such a project (about $193,000 for FY88; $249,000 for FY89; $361,000 for FY90; $282,000 for FY91; and $268,000 for FY92)?

Answer: The Department does not have funds available in the proposed budget to fund this as an additional project. In comparison to other Bureau-wide needs, such a project is of low priority.

Question: Would the Interior be able to use the funds from the Saval project in northern Nevada?

Answer: No, this would not be possible. The Saval Project is phasing down, and these monies have already been identified for redirection to operational purposes such as rangeland monitoring.

Question: Is the BLM actively pursuing this type of research in any other area? If not, I encourage you to do so.

Answer: BLM cooperates with and provides limited support to research organizations such as the University of Idaho and the Forest Service Research Stations, and works with them to develop research proposals that would have application to Bureau lands. Cooperation with USDA, principally the Forest Service Research Stations and the Soil Conservation Service Plant Material Center is underway to seek suitable plants for land rehabilitation and reclamation of the various soil and climate conditions found on Bureau-administered lands.

GRASSHOPPERS

Question: I noticed that the Department has deleted the $5 million which was specifically placed in the Management of Lands and Resources budget for insect and disease control projects which includes the grasshopper spray program. These moneys were specif-

ically placed in the budget because of the difficulty in transferring moneys from one project to another and the delays which are caused by waiting for Departmental action. When funds are needed to control grasshoppers, farmers cannot wait for governmental action to transfer funds -- they need help right away. I suggest that the Department not delete this funding and that similar funding should be in place for the Fiscal Year 1988.

Answer: The funds appropriated in 1987 for grasshopper control are no-year funds; and, thus, will be available in future years if not expended in 1987. Based on the information we have received from the Department of Agriculture and historical levels of expenditures, we believe adequate funding will continue to be available in 1988.

SHOSHONE BLM DISTRICT OFFICE MOVE

Question: Concern still exists over a proposal to move the Shoshone District Office to Twin Falls. What does the Department plan for this office?

Answer: The BLM Idaho State Office is currently reviewing the overall benefits identified in the BLM-Forest Service Interchange Proposal associated with the possibilities of consolidating the Burley and Shoshone Districts to form a new Twin Falls District. The analysis is a continuing effort to assess possibilities for improving administrative efficiencies, reducing agency costs, and enhancing public service. As the assessment is still ongoing at the field level, no justification proposal has been submitted to the BLM Headquarters Office for review.

BUHL FIELD OFFICE

Question: What are the BLM's plans concerning the creation of a suboffice in Buhl, Idaho? What benefits could be incurred?

Answer: Currently, BLM is not considering the creation of a suboffice in Buhl, Idaho. The concept of detaching the Jarbidge Resource Area Office from Boise, Idaho to Buhl, Idaho was generated during the development of the BLM-Forest Service Interchange Proposal.

TRESPASS ON BLM LANDS

Question: I have been informed that the Washington BLM Office has notified State Offices that they are to more aggressively pursue agricultural trespass cases. Is this true? Why is this emphasis being made now?

Answer: Yes, this is true. In early March 1987, the Director formally instructed the State Directors to initiate actions to resolve agricultural trespass on the public lands. Agricultural trespass on the public lands has been a persistent problem. BLM State Offices estimate that there are approximately 1,400 instances of agricultural trespass on 31,000 acres of public land. In addition to being illegal, the trespassed acres, if rented, would produce additional revenue for the Government. Emphasis is being placed on agricultural trespass as a result of two Interior Department Inspector General audit reports.

Question: Where is the pressure coming from to pursue trespass cases over other activities?

Answer: The current attention to agricultural trespass resolution stems from two Interior Department Inspector General's Office audit reports (1984 and 1986), which uncovered numerous instances of agricultural trespass on the public lands. These audits centered on 6 public land States.

BLM is not pursuing trespass cases at the expense of other program activities in the current year. Cost-efficient approaches to resolution of the problem are being developed and utilized to address agricultural trespass within existing budget allocations. For FY 1988, an increase of $219,000 has been requested to help devote more attention to resolving this issue.

Question: Can BLM be flexible in dealing with trespass grazing to meet weather changes?

Answer: BLM is flexible in permitting livestock movements to adapt to changing weather conditions when sufficient forage is available to allow such movements and when they are proposed within the terms of the permit. To avoid trespass, it is essential that the livestock operator provide proper and timely notification to the BLM Authorized Officer.

8100 MONEYS

Question: Some of my constituents have been notified that the BLM will not spend any 8100 moneys for range improvements unless the BLM has completed AMP's. How many AMP's have been completed nationwide and in Idaho?

Answer: The completion of AMP's is not a prerequisite for spending "Range Improvement" appropriation (8100) funds. However, completed land use planning, including development of AMP's, provides the basis for determining improvements needed to meet management objectives. It also establishes priorities for proposed expenditure of 8100 funds.

BLM has completed 2,810 AMP's nationwide, of which 253 are in Idaho. This compares to a total of approximately 5,429 allotments which need an AMP. Idaho has 850 allotments which will require AMP's.

Question: How much of the 8100 funds will be withheld from range improvements under this proposal?

Answer: No 8100 funds will be withheld.

Question: When can the BLM reasonably be expected to complete AMP's so all 8100 funds can be allocated?

Answer: We currently have enough completed AMP's to provide for expenditure of all 8100 available funds each year.

In September of 1988, all grazing environmental impact statements will be completed, along with the associated land use plan (RMP). At that time we will increase our efforts to complete allotment management plans on all high priority "Improve" (I) Category allot-

ments. We estimate that through completion of the RMP's we will have approximately 5,429 "I" Category allotments and 5,262 "Maintain" (M) Category allotments which will require AMP's. After the EIS's are complete, we will develop approximately 260 AMP's per year. At this rate all needed AMP's would be completed in 10 years.

WILDERNESS

Question: Please provide my office with a map detailing the wilderness study areas under consideration in Idaho.

Answer: The requested map is provided separately.

Question: To be considered for wilderness, a tract of land must be at least 5,000 acres in size. Why is the BLM considering tracts as small as 40 acres such as the tract near the Salmon Dam on Lower Salmon Creek?

Answer: BLM has been required to elevate these areas to wilderness study status as a result of the court's decision in the Sierra Club v. Watt lawsuit. BLM's inventory procedure includes provisions to study the wilderness suitability of areas less than 5,000 acres when:

1. The area is contiguous to an area managed by another Federal agency and combined acreage exceeds 5,000 acres;

2. The area is contiguous to areas managed by other agencies which have formally been determined to have wilderness values; or

3. The public has indicated strong support for study, and the area has sufficient size and lack of conflicts which would allow for wilderness management of the wilderness values in an unimpaired condition.

BLM is considering 10 areas in Idaho that fit the above criteria for wilderness suitability.

The wilderness study area (WSA) located near the Salmon Dam on Lower Salmon Creek is called the Lower Salmon Falls Creek WSA and contains 3,500 acres. This area was initially designated as a WSA because of strong public interest and BLM's determination that the area could be managed as a wilderness area. The Lower Salmon Falls Creek WSA, along with all of the other Idaho WSA's with less than 5,000 acres, was dropped from study status by Secretary Watt but was later reinstated as a result of the Sierra Club vs Watt decision.

The smallest Idaho WSA, Worm Creek, contains 40 acres and is contiguous to a Forest Service Rare II area. The ultimate wilderness suitability recommendations for most of the Idaho WSA's of less than 5,000 acres will hinge on the wilderness decision for the larger contiguous areas managed by other Federal agencies.

NEZ PERCE LANDS NORTHERN IDAHO

Question: I recently sent a list of BLM lands to the Bureau for review. The Nez Perce Indians are interested in receiving these

lands or in receiving moneys gained from the sale of these lands. Could you please give me the status of this review?

Answer: The U.S. Government purchased approximately 18,000 acres from the Nez Perce Indians at a fair and equitable price. The Nez Perce Indians are now seeking to regain title to the lands at no cost. This is strictly an Indian initiative and does not have BLM support. The lands are presently under BLM management. According to BLM field officials, Ms. Susan Fagan of Senator McClure's Lewiston Office sent a list of lands identified by the Nez Perce Indians to BLM for review in 1986. The lands included approximately 18,000 acres. BLM reviewed and verified the accuracy of the lands, added legal descriptions to the list, and returned it to Senator McClure's Lewiston Office in the fall of 1986. There has been no change in the status of BLM's review of this list.

TIMBER SALE PROGRAM

Question: The BLM is evidently proposing a reduction in its timber sale program for FY 1988. Last year they were going to do away with the program in Montana, Wyoming, S. Idaho and Utah. They reinstated the program after we protested.

The BLM program in those areas does not appear to amount to much when compared to other programs. However, in some of the areas affected, two or three million feet of BLM timber can mean the difference between operating and closing for small, dependent mills.

For example, the BLM sells about 3 million feet in the vicinity of Salmon, Idaho. For the little mill that is struggling to survive there, that is a substantial portion of their supply and they have few, if any, alternatives.

How does your proposed FY88 timber sale program compare to that of FY87?

Answer: A sale plan by State for FY 1988 will not be developed until the funding picture becomes clearer and further analysis is done. However, the anticipated offering of 60 million board feet (MMBF) in 1988 can be compared with the total offerings in immediately preceding years as follows:

Year	MMBF
1987	80.4
1986	86.3
1985	91.6

Question: Where (in what geographic areas) will the proposed reductions in the program occur?

Answer: The Bureau intends to develop analysis procedures for examining cost effectiveness on a sale-by-sale basis. This will probably result in some sales being eliminated in every State. However, the analysis performed to date indicates that the heaviest reductions would occur in Colorado, Wyoming, Montana and southern Idaho.

Question: Have the sale programs you propose to cut been cost efficient?

Answer: The judgment to reduce sale offerings to approximately 60 million board feet was based on a gross evaluation of costs and receipts, which shows that while the public domain timber sale program taken on the whole was cost effective, program costs in certain areas exceeded the revenues produced by the program effort. A more refined evaluation on a State basis will be contained in the report requested by Congress.

Question: Timber supply studies for both Idaho and Montana have recently been released by the Forest Service. The studies took into consideration timber from all land ownership classes including the BLM. Both studies arrived at the same conclusion: we are going to face a shortage of raw material in the near future.

Have you had the opportunity to review those studies? If so, do you agree with the FS conclusion? If not, I would suggest that you take the time to review those studies before making a final decision.

Answer: Yes, we have reviewed these studies. We believe that the Forest Service study offers useful information, and we intend to use such information in guiding our own public domain timber management program.

Question: In light of the FS studies, doesn't it stand to reason that the programs you propose to eliminate might well become even greater revenue producers because of bid premiums due to reduced availability of timber sales from sources such as the Forest Service?

Answer: Based on general market place behavior, it is likely that a reduction in raw material supply will tend to increase receipts through the prices bid in the form of stumpage values. However, other factors may also influence both price bid and volume of timber sold overall. It is the Bureau's intention to use such projections of demand in estimating stumpage values for the cost-effectiveness analysis of individual sales. Additionally, if stumpage values do increase, BLM can take the necessary steps to reopen areas for sale when such sales become cost efficient.

Questions Submitted by Senator Mark O. Hatfield

TIMBER

Question: For the first time in recent history, BLM has proposed a reduction of about 174 MMBF in the proposed timber harvest from western Oregon O & C Lands (1,010 MMBF). Given the anticipated volume of returned and/or defaulted timber to be melded into the FY88 sales program, what is the rationale for a reduction at this time?

Answer: The Bureau proposes to reduce its timber sale offerings in FY 1988 to 1,010 MMBF (173 MMBF below the average annual allowable harvest of 1,183 MMBF) based on the following considerations:

- o The need for increased funding of reforestation resulting from increased harvest rates.

- o The projection that, despite increased harvest levels, there will be a sufficient volume of sold but unharvested timber available to sustain industry needs in 1988. The current volume of timber sold, but not harvested is approximately 2,600 MMBF, or over 2 times the average annual allowable harvest.

- o The fact that the average volume sold over the first 5 years of the current plan, including the reduced volume proposed for 1988, would be 1,129 MMBF, or only 54 MMBF (4.5%) below the average annual allowable harvest level.

Question: What additional costs would be incurred by BLM in FY88 to prepare and sell the 174 MMBF shortfall proposed in the budget request?

Answer: The Bureau would need approximately $2.8 million in additional funding to offer the full average annual harvest level.

SPOTTED OWL

Question: Both BLM and the FS have expended a great deal of time and money developing spotted owl management plans on lands in Oregon and Washington. At this time, however, a potential exists for two entirely separate spotted owl decisions to be made on nearly contiguous BLM and FS lands. To what extent does BLM now, or in the future, plan to coordinate and share information on spotted owl management with the FS, USFWS, and other appropriate state resource agencies?

Answer: The Bureau has had, and will continue to have, a strong working relationship with the Forest Service as it relates to management of the northern spotted owl. Both agencies have shared data on the biology of the owl and its habitat requirements. BLM and FS personnel are currently investigating additional avenues for strengthening coordination and cooperation on the northern spotted owl issue.

We have also worked closely throughout our planning and management processes with the Oregon Department of Fisn and Wildlife, the Washington Department of Game, and the U.S. Fish and Wildlife Service. These coordination efforts will continue.

Question: Does a management agreement exist between BLM and the FS to integrate such a plan with the FS, or would such an exchange require a new cooperative agreement between the two agencies?

Answer: The BLM and the Forest Service have a number of Memoranda of Understanding which provide the basis of cooperative efforts. The MOU on coordination of policies, procedures, and activities related to land/resources management planning was recently renewed. At this time, it does not appear that additional agreements are necessary to provide for cooperation between the two agencies.

ANADROMOUS FISH

Question: This Committee has supported anadromous fish habitat improvements in western Oregon at a level of about $500,000 a year for the past several years. Please provide a list of the specific projects, their purpose, locations, and the species of fish affected by the work.

Answer: The information requested is provided in the following table:

LOCATION (MAJOR RIVER; PROJECT SITE - COUNTY)	PROJECT AND PURPOSE	AFFECTED SPECIES 2/
(1) Alsea; Little Lobster/Briar Creeks - Benton	30 instream structures (IS), 1/ 80 cu yds. spawning gravel & 109 boulder groupings (BG); improve spawning and rearing (S&R).	All 3/
(2) Nestucca; Upper Nestucca River - Tillamook	229 IS, 200 BG, 10 side channel developments (SCD); improve S&R	All
(3) Nestucca; Lower Elk Creek - Tillamook	99 IS, 32 BG and 11 SCD; improve S&R	All
(4) Siuslaw: Grenshaw Creek - Lane	Fish passage at waterfalls; provide access to 3 miles of stream.	CH, CO, ST
(5) Siuslaw; Grenshaw Creek - Lane	47 IS, fish passage; improve S&R and provide access to 1 mile of stream.	All
(6) Siuslaw; Fish Creek - Lane	64 IS & 6 rearing pools (RP); improve S&R	All
(7) Siuslaw; Saleratus Creek - Lane	15 IS, fish passage through road culvert; improve rearing habitat and provide access to 1 mile of stream.	CO, ST
(8) Siuslaw; Whittaker Creek - Lane	11 IS; improve S&R	CH, ST
(9) Siuslaw; North Fork, Whittaker Cr. - Lane	54 IS; improve S&R	CO, ST, CTT
(10) Smith; Upper Smith River - Douglas	31 IS; improve S&R	CO, ST, CTT
(11) Rogue; Pickett Creek - Josephine	17 IS, 10 RP; improve S&R	CH, ST
(12) Rogue; North Fork Deer Cr. - Josephine	31 IS, 22 RP; improve S&R	CO, ST
(13) Umpqua; Skull Creek (Phase 1) - Douglas	14 IS, 14 RP; improve rearing habitat.	CO, ST

(14) Umpqua; Quines Cr. (Phase 1) - Douglas	16 IS, 16 RP; improve S&R	CO, ST
(15) Umpqua; Lutsinger Creek - Douglas	28 IS; improve S&R	CO, ST, CTT
(16) Coquille; Moon Creek - Coos	10 IS; improve S&R	CO, ST, CTT
(17) Coquille; Weekly Creek - Coos	64 IS; improve rearing habitat	CO, ST, CTT
(18) Coquille; N. Fork Coquille R. (Phase 1) - Coos	23 IS, 20 BG; improve S&R	All

Planned project work funded in FY 1987, to be completed during summer months:

LOCATION (MAJOR RIVER; PROJECT SITE - COUNTY)	PROJECT AND PURPOSE	AFFECTED SPECIES 2/
(1) Alsea; Upper Lobster & "J" Line Creeks - Lane	87 IS, 2 SCD; improve S&R	CO, ST, CTT
(2) Nestucca; Lower Nestucca River - Tillamook	78 IS, 3 SCD; improve S&R	All
(3) Siuslaw; Wolf Creek, including Gall, Saleratus and Grenshaw Creeks - Lane	82 IS, 9 RP; improve S&R	All
(4) Siuslaw; Lake Creek tributaries (Fish, Nelson & Rock) - Lane	94 IS, 6 RP; improve S&R	All
(5) Siuslaw; Esmond (Phase 1) and Leopold Creeks - Lane	109 IS, 14 RP; improve S&R	All
(6) Siuslaw; Whittaker and Bounds Creeks - Lane	20 IS; improve S&R	All
(7) Smith; Upper Smith River and Cleghorn Creek - Douglas	20 IS, 20 RP; improve S&R	CO, ST, CTT
(8) Umpqua; Rattlesnake Creek - Douglas	30 IS; improve S&R	CO, ST
(9) Umpqua; Quines Cr. (Phase 2) - Douglas	22 IS, 24 RP; improve S&R	CO, ST

(10) Umpqua; Whitehorse Creek - Douglas	Fish passage at waterfalls, access provided to 2.5 miles of stream.	CO, ST
(11) Umpqua; Paradise Creek - Douglas	25 IS; improve rearing habitat	CO, ST, CTT
(12) Umpqua; Johnson Cr. (Phase 1)	15 IS; improve rearing habitat	CO, ST, CTT
(13) Coquille; North Fork Coquille R. (Phase 2)	5 IS; improve S&R	All
(14) Coquille; Camas Creek/Brewster Gorge - Coos	14 IS, Gorge fish passage improvement; improve S&R, better fish passage to 20 miles of stream.	CO, ST

1/ Instream structures include gabions, log sill, boulder berm and loose trees that either fully or partially span the stream channel.
2/ Species key: CH - Chinook, CO - Coho, ST - Steelhead, CTT - Sea Run Cutthroat Trout.
3/ All refers to the four species listed in 2/ above.

Question: Also, please provide a list of pending projects in western Oregon which await funding, along with a project description, location and species of fish affected by the work.

Answer: The following table lists pending unfunded anadromous fish projects in western Oregon (including in 5-year enhancement plan for Oregon Coastal Rivers) Anticipated total cost of these projects is approximately $1.6 million.

LOCATION (MAJOR RIVER; PROJECT SITE - COUNTY)	PROJECT AND PURPOSE	AFFECTED SPECIES 2/
(1) Nestucca; Upper Elk Creek (CR.) - Tillamook	Instream structures (IS) 1/, side channel developments (SCD); improve spawning and rearing (S&R)	All 3/
(2) Nestucca; Bear Cr.- Tillamook	IS, SCD, and rearing pools; improve S&R	All
(3) Nestucca; Testament	IS, SCD; improve S&R	CO
(4) Nestucca; Tucca Cr. - Tillamook	Fish passage at waterfalls; provide adult fish access to 1 mile of stream	CO, ST
(5) Nestucca; Ginger Cr. - Tillamook	IS; improve S&R	CO, ST, CTT
(6) Nestucca; Fan Cr. - Tillamook	IS; improve rearing habitat (RH)	CO, ST, CTT
(7) Nestucca; East Cr. - Tillamook	IS; improve RH	All
(8) Nestucca; East Beaver Cr. - Tillamook	IS, SCD & RP; improve S&R	CO, ST, CTT
(9) Trask; Cruiser Cr.- Yamhill	IS; improve S&R	CO, ST
(10) Trask; Elkhorn Cr.- Yamhill	IS; improve S&R	All
(11) Siletz; Bounder Cr. - Polk	IS; improve S&R	ST, CTT
(12) Alsea; Seeley Cr. - Benton	IS; improve S&R	CO, ST, CTT
(13) Alsea; Mill Cr. - Benton	IS; improve S&R	CO, ST, CTT
(14) Alsea; Crooked Cr. - Benton	IS; improve S&R	CO, ST, CTT
(15) Alsea; Cove Cr. - Benton	IS; improve S&R	CO, ST, CTT
(16) Alsea; Skunk Cr. - Benton	IS; improve S&R	CO, ST, CTT

(17) Alsea; Schoolhouse Cr. - Benton	IS; improve S&R	CO, ST, CTT
(18) Alsea; Lower Lobster Cr. - Lane	IS; improve RH	CO, ST
(19) Alsea - East Fork Lobster Cr. - Lane	IS; improve RH	CO, ST, CTT
(20) Alsea; South Fork - Lane County	1 - Major Fish Passage at waterfalls; Provide access to 7.5 miles of stream 2 - IS, RP, improve S&R (only if #1 above is done) 3 - IS; improve S&R (only if #1 above is done) 4 - Fish passage at waterfalls; Provide fish access to 5.5 miles of streams	CH, CO, ST
(21) Dritt Creek; Fowler Cr. - Polk	IS; improve S&R	CO, ST, CTT
(22) Drift Creek; Smith Cr. - Polk	IS; improve S&R	CO, ST, CTT
(23) Siuslaw; Greenleaf - Lane	IS; improve S&R	All
(24) Siuslaw, Lake Cr. - Lane	Major fish passage at waterfalls; Provide fish access to approx. 100 miles of stream above Triangle Lake. Largest project to be undertaken; planned for FY 1988.	CH, CO, ST
(25) Siuslaw, Lake Cr. - Lane	Fish passage at old dam; provide fish access to 16 miles of stream (only if no. 24 is done first)	CO, ST,
(26) Siuslaw; Upper Lake Cr. - Lane	IS and riparian reveg. (R.R.) improve spawning habitat and riparian habitat conditions (only if no. 24 is done first).	CH, CO, ST
(27) Siuslaw; Saleratus Cr. - Lane	IS, 5 log/debris jams; improve RH and provide fish passage 5 miles of stream.	CH, CO, ST
(28) Siuslaw; Pittenger - Lane	Fish passage at a road culvert; provide fish access to 1 mile of stream.	CO, ST
(29) Siuslaw; Gall Cr. - Lane	Fish passage at two road culverts; provide fish access to 2 1/2 miles of stream	CO, ST

(30) Siuslaw; Oat Cr. - Lane	IS, 3 log/debris jams; improve S&R; provide fish access to 3 1/2 miles of stream	All
(31) Siuslaw; Esmond	IS; improve Rh	All
(32) Siuslaw; Haight Cr.- Lane	IS; improve Rh	CO, ST, CHO
(33) Smith; North Sisters Cr. - Lane	IS, one log/debris jam; improve S.&R., provide fish access to 1 1/2 miles of stream	CO, ST
(34) Smith; Upper Smith River & 2 tributaries - Douglas	IS; improve S&R	CO, ST, CTT
(35) Rogue; Butte Cr. - Josephine	IS; improve Rh	CO, ST
(36) Rogue; West Evans Cr. (4 phases) - Jackson	IS; KP; improve Rh	CO, ST
(37) Rogue; East Evans Cr. - Josephine	IS; improve Rh	ST
(38) Rogue; Hog Cr.	IS; improve S&R	ST
(39) Rogue; Elliot Cr.- Josephine	IS; improve Rh	CO, ST
(40) Rogue; Althouse Cr. - Josephine	IS; improve spawning habitat (SH)	ST
(41) Rogue; Sucher Cr. - Josephine	IS; improve spawning habitat (SH)	ST
(42) Umpqua; Bull Run Cr. - Douglas	IS; improve S&R	CO, ST
(43) Umpqua; Panther Cr. - Douglas	IS, KP, passage at waterfalls; improve R.H., provide fish access to 1 1/2 miles of stream	CO, ST
(44) Umpqua; East Fork	IS, improve Rh	CO, ST
(45) Coquille, Steel Cr. - Coos	IS, improve S&R	CO, ST, CTT
(46) Coquille; Alder Cr. - Coos	Fish passage at waterfall; provide fish access to 1/4 mile of stream	CO, ST

(47) Coquille; Upper North Fork - Coos	IS; improve RH	CO, ST, CTT
(48) Coquille; Frenchie Cr. - Coos	Fish passage at one road culvert, provide fish access to 1 1/2 mile of stream	CO, ST, CTT
(49) Smith; Crane Cr. - Douglas	IS, RP, improve RH	CO, ST,CTT
(50) Chetco; North Fork - Curry	Fish passage at one waterfall; provide fish access to 9 miles of stream	ST, CTT

1/ Instream structures include gabions, log sills, boulder berms and loose trees that either fully or partially span the stream channel.
2/ Species Key: Ch=Chinook, CO=Coho, ST=Steelhead, CTT=Cutthroat trout.
3/ All refers to the four species listed in 2/ above.

PLANNING

Question: New BLM management plans for Oregon and Washington are currently under development and are proposed for implementation by 1990. Does the FY88 proposed budget fully fund development of those plans?

Answer: The latest evaluation of the planning situation for western Oregon indicates that the proposed FY 1988 budget does not fully fund this effort. The Bureau is currently considering options to deal with this problem including a one-year extension of the planning deadline.

Question: If such plans are not implemented by 1990 does the BLM intend to modify existing plans in order to avoid lawsuits during the time in which it takes new plans to become final?

Answer: BLM does not intend to modify existing plans if such plans are not implemented by 1990. We will use existing management framework plans until the 1990 plans are completed. We do recognize that the longer we rely on these older documents, the more subject we become to court challenges. However, the modification (or amendment) of existing plans would require environmental impact statements almost as elaborate and complex as those required for the new plans.

LOG EXPORTS

Question: The BLM presently is circulating for informal comment a proposed revision of its log export substitution regulations. These regulations implement log export restrictions contained in each year's Department of the Interior appropriations since 1973, most recently appearing in Public Law 99-500 at section (h) 302.

Is BLM concerned that the present regulations may not accurately reflect the legislative intent of Congress?

Answer: BLM believes that the present regulations reflect the legislative intent of Congress. However, we also believe that they are sometimes confusing, difficult to administer and ineffective in accomplishing that objective. Therefore, some revisions are necessary.

Question: Are not the present and proposed regulations a source of controversy within the affected industry?

Answer: The present and proposed regulations are a source of controversy within the affected industry.

Question: To assist in our understanding of this matter, would you please provide the Committee with your Solicitor's analysis of the legislative intent of Congress in enacting the annual log export restriction, including the parameters within which BLM can regulate log export substitution pursuant to that legislative intent and whether the present or proposed regulations are within those parameters.

Answer: At this time we do not have a formal Solicitor's analysis and opinion of the legislative intent of Congress in enacting log export and substitution restrictions. We do, however, have an August 13, 1986, memorandum from the Office of the Regional Solicitor, Pacific Northwest Region, analyzing problems with the present regulations and suggesting a different approach (copy provided as Attachment 2). In summary, the Solicitor believes that the legislative intent of Congress was to permit the export of private timber and the purchase of Federal timber within historic levels and to prohibit the replacement (substitution) within a reasonable time of an increase in export of private timber (above historic export levels) by an increase in purchase of Federal timber (above historic purchase levels). The general parameters given by advice from the Solicitor's Office were that length of term of most timber sales contracts and flexibility in accounting for changing circumstances over the years were key elements considered in developing the proposed regulations.

Export substitution parameters should provide for export and historic purchase levels which cannot be readily increased. BLM's present regulations use a one-year rolling base for computing historic levels which are not within acceptable parameters. BLM's proposed regulations would use a five-year rolling base for computing historic levels which, along with additional restrictions, are within acceptable parameters.

Attachment 2

AUG 13 1986

BLM.PN.0666

TO: State Director, Bureau of Land Management
Oregon State Office (931)

FROM: Office of the Regional Solicitor
Pacific Northwest Region

SUBJECT: Proposed Rulemaking - Log Export - Substitution

The present BLM regulations defining "substitution" for purposes of determining whether violations of export regulations have occurred have been criticized by some to allow purchasers to substitute federal timber for exported timber from private lands without running afoul of BLM regulations. This loophole is sometimes referred to as "stair-stepping" or "racheting." By increasing export sales in alternate years opposite similar increases in purchases of BLM timber, it is possible for a purchaser to "rachet" exports to greater and greater levels without limit, with all the increase in exports supplied indirectly by BLM timber purchased the previous year.

We have reviewed this regulation to consider whether changes can be made to close this "loophole" and bring the effects of the implementing regulation more consistent with Congressional intent. We have developed a proposed change in the regulations and BLM procedures, which we believe will accomplish the desired result.

One of the problems with the current regulations is that BLM looks only to the twelve months previous to the export sale to establish the "historic pattern." A multiple number of one-year periods is created by this approach, which results in a confusing mass of reports by purchasers who are active exporters. This not only creates a burden on the purchaser, but also presents a complex, confusing mass of data for the BLM to monitor.

It is also questionable whether a twelve-month period of time is a sufficient length of time to create a "historic pattern." Until the contracts have been harvested, which may be as long as three years after the sale date, it cannot be certain that those contracts are being purchased to supply domestic production requirements. Thus a four-year history is necessary to insure that at least the first year of that historical period has been harvested and processed domestically.

Given that the typical length of a BLM timber sale contract is three years, it appears that it is the three years following the purchase of BLM timber, not just the year of the sale when substitution could take place. Restricting exports to historical levels for three years following an increased level of purchases of BLM timber would also give assurance that the federal timber will be processed domestically since the cutting rights would expire before the restriction on exports would be lifted.

To illustrate how this proposed change in the regulations would work, we have developed tables showing the constraining effect on exports by a purchaser who uses 20 MMbf/yr domestically when it increases Federal timber purchases to 35 MMbf/year. Table A shows that current regulations would allow a corresponding increase in exports well within the cutting periods of the contracts awarded during the year of the increased Federal timber purchases. For instance, if in 1977, the purchaser decided to supply an increase in its exports by substituting BLM timber for private timber formerly processed domestically, under current regulations it could have bought the substitute supply in 1977 and begun harvesting, substituting and exporting as it wished in 1979. Furthermore, it could increase this substitute export supply from federal timber in any amount as long as it waited more than twelve months before increasing its exports.

To more closely comply with the intention of Congress in preventing Federal timber from being purchased as substitution for increased exports of private timber, we suggest changing 43 C.F.R. § 5400.0-5(n) to read as follows:

> "Historic pattern" means:
>
> 1) in regard to purchases of federal timber, the average annual volume of purchases over the four fiscal years preceding the year in question, or
>
> 2) in regard to export sales, the average annual volume of export sales over the three fiscal years preceding the year in question.
>
> "Substitution" means:
>
> Any circumstance in which both of the following occurs:
>
> 1) the amount of federal timber purchased by an individual and affiliates during any fiscal year exceeds their historic pattern, and
>
> 2) during that same fiscal year or in any of the subsequent three fiscal years, there is an increase in export sales by that individual and its affiliates over the historic pattern of exports applicable to that year.

Table B shows the constraint this regulation change would place on a purchaser wishing to increase exports subsequent to increased purchases of federal timber. In this table, the same objective is assumed as was assumed in Table A, i.e., an increase of 15 MMbf in exports and an increase in purchase of federal timber from 20 MMbf to 35 MMbf, where the domestic requirement for processing remains at 20 MMbf. By contrast, Table B shows the constraints which would result after the same initial increase in federal purchases in 1977 which was used in Table A.

As can be seen from this illustration, it would be very difficult for purchasers to react quickly to increased export opportunities using a substitute federal timber supply.

Another advantage to this change in regulations would be to simplify administration for both the government and the purchasers. No monitoring of export sales would be necessary until the BLM notifies the purchaser that it has exceeded the historic pattern of federal purchases. At that time the purchaser would need to report the volume of export sales for the previous three fiscal years and the present year. Thereafter, export volumes would be reported once a year for the next three years. Unlike present regulations, the one-year periods coincide with the established fiscal year, rather than "float" with the date of each export sale. The data received from the purchasers would be more orderly with one yearly report rather than multiple reports with overlaping time periods. It should also be easier for both BLM and the purchasers to determine what the export restriction is during any given fiscal year.

Please let us know, if we can be of any further assistance in resolving this complex issue.

For the Regional Solicitor

Roger W. Nesbit

Roger W. Nesbit
Attorney
Pacific Northwest Region

Question: Provide the Committee your economic analysis of how the present regulations and alternative proposed regulations would affect log exports.

Answer: The Bureau does not have access to the information necessary to conduct such an economic analysis.

Question: Please provide the Committee your timetable for this regulatory project.

Answer: We expect to publish proposed rule changes in May 1987. Upon analyzing comments on the proposed rule, we will request a Solicitor's analysis and opinion on legislative intent and coordinate this interpretation with the Forest Service. Final rule changes could be in place in about 90 days.

CONTRACT RELIEF

Question: Regarding the reoffering of defaulted timber contracts in Oregon and Washington, how much timber volume does the Forest Service/Bureau of Land Management expect to be defaulted as a result of the legislation?

Answer: If current economic conditions continue and timber stumpage averages $100/MBF, it is not unrealistic to assume a 75 percent default rate. The Federal Government still holds 2,400 MMBF of pre-1982 timber contracts, of which BLM holds 747 MMBF. There are 135 BLM contracts having potential for default (those having a value greater than $225/MBF) with a volume of 565 MMBF and a total value of $180 million.

Question: Of the high-priced timber contracts estimated to be defaulted, what percentage of the total volume in those defaulted sales will be reoffered by the Forest Service/Bureau of Land Management?

Answer: Defaulted timber contracts and their remaining volume will be reoffered as quickly as possible after contract breach to establish damages owed by the original purchaser. It is possible that the total volume offered could be up to 10 percent less due to planning decisions made since these sales were originally sold.

Question: In what fiscal year will those defaulted sales be reoffered?

Answer: BLM holds contracts that expire on December 31 of each of the years 1987, 1988, and 1989. In each case they will be reoffered in the calendar year following default.

Question: What additional administrative/managerial activities will be required to prepare those defaulted sales for reoffering and what will such sales and activities cost the Federal Government?

Answer: Activities required to prepare defaulted sales for resale include: additional sale layout (to make the resale comply with the new generation of forest plans), additional cruising (to estimate remaining volume of partially harvested sales or to account for growth), appraisals and contract preparation. The additional cost will be dependent on the extent of defaults and could run as high as $1.5 million.

Question: Given current bidding prices in Region 6 what will be the estimated total dollar value of the defaulted contracts at the time they are reoffered?

Answer: The estimated stumpage value of the reoffered defaulted contracts is $120/MBF for a total value of approximately $67.8 million.

Question: What will be the projected gross revenue to the Federal Government from those defaulted and reoffered sales?

Answer: BLM has no historic record on which to base a determination of potential collections. If only bond amounts were collected, about 20 cents on the dollar above the resale value of the timber would be received. Based on a volume of 565 MMBF and a value of $180 million, BLM would collect $67.8 million from resale of contracts and $36 million on bond collection for a total of about $104 million.

Question: Regarding damages collected on defaulted timber contracts in Oregon and Washington, assuming all the high-priced timber sales under contract were defaulted, what is the maximum amount of damages the Forest Service/Bureau of Land Management might collect?

Answer: BLM hopes to collect total damages assessed. Generally speaking, that would be the value of subtracting the resale price from the original sale price, or $112.2 million if 75 percent of the contracts were defaulted.

Question: Recognizing that creditors usually realize only a fraction of amounts owed them in bankruptcy proceedings, what is the realistic amount of damages that the Forest Service/Bureau of Land Management might collect?

Answer: BLM has no historic collection record on which to base a determination of potential collections. Indications are that collection will be difficult. If only the bond amount is collected, an amount of 20 cents on the dollar would be received. However, considering the fact that many of the companies with potential default sales have assets of considerable value, collections should be greater than 20 cents on the dollar.

Question: In order to collect this realistic amount of damages, how much money is the Federal Government likely to expend on collection activities, including the costs of actions by the Justice Department?

Answer: The Government could conservatively spend $1.5 million on the legal aspects of collecting damages.

Question: What has been the Forest Service/Bureau of Land Management's historical experience in collecting damages on defaulted timber sale contracts? Specifically, in past collection actions, what percentage of total damages has the Forest Service/Bureau of Land Management been able to collect?

Answer: Historically, BLM has had a few defaults of small sales by individuals having few, if any, assets. Though no records have been kept, BLM estimates that about 95 percent of the default damages have been collected, primarily from bond coverage. To our knowledge, there have never been previous defaults where the potential damages were so far in excess of the bond coverage as is the case in the high-priced contracts.

Question: Has the Forest Service/Bureau of Land Management done any analysis of which timber companies are likely to have default-related financial problems rendering them insolvent or bankrupt?

Answer: BLM has reviewed, jointly with the Forest Service, 293 timber companies holding high priced timber. The data used were provided by Timber Data Company of Eugene, Oregon, which indicated that 44 western Oregon companies could sustain losses due to high priced Federal timber contracts. Of these 44 companies, 8 to 12 were considered as having the potential to suffer significant losses.

Question: If the companies holding high-priced timber sales are forced into bankruptcy, what effect will their closure have on:

-- Federal tax receipts (both corporate tax receipts from the timber companies involved as well as individual income taxes of workers employed by the timber companies)?

-- Lost timber sale revenues to the States and counties under the O & C Act?

-- Federal outlays for unemployment benefits and other social services for workers displaced by the bankruptcy of the timber companies?

-- The economic and social stability of timber-dependent communities?

Answer: BLM does not know the specific effects that potential mill closures could have on Federal tax receipts, lost timber sale revenue to the counties, Federal outlays for unemployment, or stability of local communities.

Question: Recognizing that inevitable delays will occur in collecting on a damage judgment if and when one is obtained, when does the Forest Service/Bureau of Land Management expect to actually realize significant revenues from the default proceedings?

Answer: Considering all of the potential legal arguments relative to timber sale defaults and damage collection, from 3 to 5 years could pass from the time of damage assessment to resolution.

Question: What, then, would be the present value of the fraction of total default damages that the Bureau of Land Management expects to realize at some future date?

Answer: The present value of total default damages that BLM expects to realize in the future could be from $6 to $10 million, depending upon the interest rate and collection time used in the calculations. These damages could be partially offset as a result of the 6 percent interest charged on unpaid obligations under terms of the contract.

Question: The Forest Service/Bureau of Land Management have stated that they intend to closely scrutinize the financial capabilities of those companies facing default on existing sales when they attempt to bid on new timber sales. Is it correct to assume that this new policy will not apply unless (1) the BLM has made a formal default finding and determined damages owed by the timber purchaser and (2) the timber purchaser has had the opportunity to defend against the default action and final and unappealable judgment has been rendered against the purchaser which the purchaser has not paid?

Answer: Both assumptions are incorrect. BLM intends to examine financial situations of the companies that have defaulted, because of the increased risk to the Federal Government. The requirement of a financial examination may be initiated as soon as a defaulting company is the high bidder on a new contract. Damages need not be assessed. Likewise, the examination would more than likely occur before any final and unappealable judgment that may be rendered against the purchaser.

Question: Where is it established that a purchaser has defaulted on a contract, and what kind of assurances is the Forest Service/Bureau of Land Management likely to require as a precondition to allowing the purchaser to bid on a new sale?

Answer: In BLM, a default is established at the resource area level by the local contracting officer. This usually occurs when a contract is breached because of lack of performance. Types of assurances that could be required for the award of new contracts include, but are not limited to, increased bonding, bank guarantees, additional cash payments, etc..

Question: Are these assurances any different from those required of persons who have never before bid on a timber sale?

Answer: Usual performance assurances in the form of upfront payment and performance bond range between 20 and 25 percent of the contract's total purchase price. New bidders would not have a past performance history on which to base a responsibility determination. In the new bidder's case, that judgment is usually based solely on financial considerations. There have been times when BLM has required newly formed companies to provide additional performance guarantees to compensate for an inadequate financial base.

Questions Submitted by Senator Quentin N. Burdick

COAL ROYALTY RATE

Question: I would like to talk about Federal Coal Royalty rates. To date, an estimated 943,000 tons of lignite has been bypassed in my State, partly due to the current Federal royalty rate of 12.5%. When a tract of coal is bypassed we lose not only a valuable natural resource, but revenue as well.

According to figures supplied to me by the North Dakota Lignite Council, 1,480 acres of Federal coal, 8 million tons, is currently scheduled for bypass by North Dakota coal producers. My question is how serious do you feel this it?

Answer: We share your concern about the royalty rate for surface-mined coal and the effect it has on the production of North Dakota lignite. We are, therefore, preparing royalty rate reduction guidelines which may provide relief for producers of lignite on Federal lands. Through these guidelines the Bureau will consider reducing the amount of financial analysis required for a solid mineral royalty rate reduction request under conditions where coal will be bypassed or mine life will be extended to promote development. Guidance will also be provided on the nature of financial data required whenever a lease cannot be successfully operated under the lease terms. These guidelines are expected to be published in the Federal Register in the near future.

Question: In recent correspondence I have had with Assistant Secretary Griles, he indicates that the Interior Department is in the process of drawing up new guidelines by which to implement section 39 of the Mineral Leasing Act. I applaud that effort. Can you provide the Committee some insight as to what the new guidelines will entail and how soon they will be published?

Answer: Section 39 of the Mineral Leasing Act (MLA) of 1920, as amended, authorizes royalty rate reduction. An applicant for rate reduction must meet two essential elements of section 39 to qualify under this statute which are as follows:

- the rate reduction would encourage the greatest ultimate recovery; and
- the rate reduction would be in the interest of conservation of natural resources.

After qualifying under these two criteria, a rate reduction may be granted only whenever, in the Secretary's judgment, it is necessary to do so to promote development or whenever a lease cannot be successfully operated under the lease terms.

The IBLA has ruled that the limiting word is "necessary" because any liberality in granting rate reduction requests would seriously undermine Congress's intent in establishing a minimum royalty rate (93 IBLA 327, September 11, 1986).

To reduce the amount of financial analysis required to grant a royalty rate reduction to promote development, the guidelines provide criteria for "bypass" situations and extension of mine life. General guidance is provided on the nature of financial data required whenever a lease cannot be successfully operated under the lease terms.

Proposed guidelines for royalty rate reduction application processing are expected to be published in the Federal Register in the near future.

Question: According to figures supplied by the Department of the Interior, there have been instances where it has taken over 2 years for Interior to grant or deny a request for a royalty rate reduction. Could you please explain why this is and what corrective actions you plan to take?

Answer: On February 13, 1985, a notice of draft guidelines published in the Federal Register suspended all action on royalty rate reduction applications until publication of final guidelines.

The Secretary has broad discretion under section 39 of the Mineral Leasing Act, as amended, to grant royalty rate reduction. How to use this authority judiciously has proven to be a complex and controversial issue. A new policy was developed to reduce the amount of financial analysis required to grant a royalty rate reduction to promote resource development in bypass and extension of mine life situations. When that policy is adopted, guidelines will be published. Since much of the focus during development of these guidelines has been on the need to avoid unduly cumbersome provisions which would lead to protracted deliberations, we would expect to be able to process applications expeditiously under these new guidelines.

Question: In the same letter from Assistant Secretary Griles, dated March 5, 1987, he states that in some areas of the country, a region-wide application of section 39 may be appropriate. Could you please expand on that idea?

Answer: In addition to guidelines for all solid mineral royalty rate reduction actions under section 39 of the MLA, we plan to study additional ways to improve the production of Federal coal compared with State and private coal in certain regions such as Alabama, Oklahoma, and North Dakota. In these regions, we have

identified an inordinate number of Federal coal leases which are not competitive with most State and private coal production. This situation is pervasive enough to warrant consideration of a region-wide application of section 39 of the Mineral Leasing Act of 1920 which authorizes royalty rate reduction. Upon completion of this study, BLM will determine if any additional special provisions for consideration of royalty reduction applications will be implemented for selected regions.

Questions Submitted by Senator Pete V. Domenici

BIENNIAL BUDGET CYCLE

Question: Calls for budget reform are increasingly heard as budget deadlines are too often missed, important budget decisions are delayed, appropriation bills and other direct spending legislation are held up in committee, and omnibus spending bills take the place of timely and orderly consideration of individual bills. One procedural reform that is being considered is the two-year budget cycle where budget and appropriations matters would be considered in the first year, and authorizations and oversight would be undertaken in the second year.

Would your department/agency favor a biennial budget process? What benefits would your agency achieve in a two-year appropriation cycle?

Answer: The Bureau of Land Management and the Department of the Interior would favor biennial budgeting as long as the workload related to formulation within the Executive Branch and presentation to the Congress were not increased beyond the very demanding schedule that now exists. For example, it would be extremely difficult for the Department and the Bureau to cope effectively with a situation wherein appropriations hearings on 2-year's worth of funding were to occur every year. If hearings on biennial budget requests were held every other year, the budget process could probably be improved. The benefits to be achieved by such a process are difficult to estimate without knowing what specific procedures might be required and their impact on the Bureau's workload.

Question: Approximately what proportion of your annual appropriation request would you consider simply repetitious of the previous year's submission?

Answer: Each year the Bureau carefully considers the funding needs of all its programs in arriving at its annual budget request. Although funding for some programs is requested at the same level as the previous year, this occurs only after the funding needs for all programs throughout the Bureau have been carefully considered and after program priorities have been established. Program emphasis frequently shifts because of changing workload; and the Bureau, in its budget request, attempts to reallocate resources to meet those shifting program needs.

Question: What difficulties can you foresee in preparing and submitting a two-year budget to the Congress?

Answer: Preparing and submitting a two-year budget would require additional detailed program analysis and forecasting of

funding needs for each program for the second year of the budget. Since workload in specific programs varies from one year to the next because of changing economic and natural resource conditions, new administration and Congressional mandates and other factors, the second year portion of the biennial request would probably be subject to considerably more requests for reprogramming of funds and supplemental appropriations to cover unexpected shifts in program needs than are now required under a one-year request.

This would be especially true in natural resources and land management in which our programs must respond to changing ecological and environmental conditions, occurrence of natural events, and to rapidly changing economic conditions especially for basic commodities such as oil and gas, other minerals, timber and the like.

Question: Would you expect to realize any budget savings if you could plan your agency budget on a two-year basis? If so, could you estimate how much?

Answer: The budget savings that could be achieved would depend largely on the degree to which the workload associated with the specific procedures required for a biennial budget request could be reduced from that required to deal with annual budgets each year. Reduced efforts in budget presentation, however, may be offset by increased workload for budget execution, especially if our ability to redirect and to reprogram funds to meet dynamic and evolving program requirements was constrained by extensive justifications, external review and approval procedures.

Question: If you oppose the biennial budget concept, please give this subcommittee your reasons why.

Answer: The Bureau does not oppose the biennial budget concept as long as the complex workload and demanding schedule associated with preparing, submitting, justifying and executing the budget is not increased beyond that which now exists.

SUBCOMMITTEE RECESS

Senator REID. Mr. Burford, again thank you.

The subcommittee stands in recess until Friday, March 27 at which time we will review the budgets for the Forest Service.

The subcommittee stands in recess.

[Whereupon, at 3:55 p.m., Tuesday, March 24, the subcommittee was recessed, to reconvene at 9:30 a.m., Friday, March 27.]

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